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## Southeast Asia Report

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6 March 1986

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AUSTRALIA

LABOR ECONOMIC POLICY 'REWARDED' BY INFLATION DROP

Auckland THE NEW ZEALAND HERALD in English 31 Jan 86 p 1

[Text] The Australian Labour Government yesterday reaped the reward for sticking to its economic guns with another drop in the quarterly inflation rate to 2 percent.

After an unusually low 1.4 percent for the first quarter of 1985, inflation jumped to 2.4 percent in the June quarter, then slipped to 2.2 by September, giving an annual rate of 8.2 percent after statistical adjustments.

The result is a vindication of the tough stand the Treasurer, Mr Keating, has taken on economic policy in the face of sometimes shrill criticism from some who started losing their nerve as interest rates soared and the economy tightened.

The latest rate received applause from the volatile foreign exchange market, which sent the Australian dollar climbing against the United States currency. However, the doomsayers are warning things are going to get worse rather than better. The annual rate is in line with the figure predicted last year by Mr Keating of between 8 and 8.5 percent after which it would fall over the following two years, but it is still the highest it has been for two years.

Independent economists are saying there is still more heat in the economy and the annual rate will go higher.

They are pointing to the effects of several factors which have not worked their way through to the latest figures, and are predicting inflation will not peak until March or June.

Among them are the flow-on from the 3.8 percent national wage rise which came late in the December quarter, the delay in the effects on prices of the November devaluation of the dollar, and various Government charges, with the joker in the pack being the effects of worldwide oil price falls on the Australian economy.

One positive aspect, though, is that the next national wage order will be only 2.2 percent despite a half-yearly figure of 4.2 percent which would normally be indexed straight through to general wages.

AUSTRALIA

TREASURER OUTLINES REDUCTION OF GOVERNMENT ROLE IN ECONOMY

Sydney THE AUSTRALIAN in English 31 Jan 86 p 5

[Article by Paul Keating, Federal Treasurer, reprinted from the IPA  
Review: "Keating Maps a Road to Growth"]

[Text] THIS financial year's Budget was the first to be brought down in conformity with our trilogy of budgetary commitments.

These required the Government to contain the rate of growth in Commonwealth outlays and tax revenue to no more than the overall rate of growth in the economy and not to increase the deficit as a proportion of Gross Domestic Product. In addition the Government pledged to reduce the 1985-86 deficit in money terms.

These commitments were more than met in this year's Budget - the first time in 17 years that any Government has done so. The last time that the three commitments expressed as a ratio of GDP were met was in 1978-79. But that year, while the three ratios declined, the money deficit level increased. The last time that all three ratios declined, and the deficit was reduced, was in 1968-69.

In addition, this year's Budget contributed to a further very significant decline in the Public Sector Borrowing Requirement. In June this year, as we did last year, the Commonwealth won from the States' agreement that the States' borrowing programs would be subject to a "global" borrowing limit.

Within that global limit the States agreed that there would be a cut of 10 per cent in real terms in State authority borrowings. In addition, they

agreed that there would be no increase in real terms in basic general revenue grants to the States. As a result, the total Public Sector Borrowing Requirement, which in net terms had fallen from 7.2 per cent of GDP in 1983-84 to 5.7 per cent in 1984-85, was reduced further to 4.5 per cent in 1985-86.

The Government is committed to continuing this restraint. We have recognised that as the recovery proceeds it is necessary that we progressively withdraw the level of fiscal stimulus to the economy. More generally, the trilogy enables us to fulfill our desire to place a strict limit on the size of the Government sector and the associated overall burden of taxation.

The question that arises in this discussion, however, is why the Government has chosen a course of moderating public sector involvement in the economy. To canvass this issue I will briefly background the economic policy we have implemented.

The success of the Labor Government's policy for growth should now be apparent. GDP grew by around 5 per cent in each of our first two full years in office, and another year of similar, solid performance is well under way. This remarkable transformation from the stagnation of the preceding decade is now sufficiently long-lived to dispel earlier suggestions that it is a simple product of luck.

Much of the credit is due to

an incomes policy, as operated through the Accord, which has ensured that there is an operating mechanism working to prevent inflationary blow-outs of the sort endemic to previous Australian recoveries. At the same time, monetary policy, despite the immense world-wide difficulties with implementation caused by the twin process of deregulation and innovation, has been kept firm. In short, macroeconomic policies have been set to deliver sustainable economic growth. This is a matter of empirics, not ideology.

As an integral part of this approach, outlays have been constrained because there is an economic need for that to happen in the context of a maturing recovery, not because obsequiousness needs to be paid to any dogma.

In both Britain, in recent years, and in Australia, in the Fraser era, we have been provided with ample proof of the dismal results to be expected from a blind pursuit of deficit reduction at any cost.

And as the EPAC office has recently demonstrated, no simple correlation is discernible across countries between either the size of government or its rate of increase in recent decades and the level of economic performance. Neither a low government share of GDP relative to other countries, nor a small rate of increase by international standards, prevented Australia from turning in one of the worst performances in the industrialised world during the Fraser era.

Budgetary policy has to be placed in the context of what is appropriate for the economy at the time. Australia's need for Budgetary restraint in the years ahead occurs precisely because the private sector is expected to expand solidly. Public stimulus in this context is not only unnecessary: it would be positively harmful to the prospect of sustained growth. For this reason the logic of our economic policies leads to an expectation of smaller government as a proportion of the economy over future years.

In essence, then, the reduction in Budget outlays this year, the trilogy and the cut-backs in the Public Sector Borrowing Requirement form a part of a comprehensive growth strategy being pursued

by the Government. They have been made for that purpose. They have not been made in pursuit of any simple-minded dogma that dictates that the public sector must be cut back regardless of the consequences.

While macroeconomic policy inevitably takes centre stage in short-term consideration of economic growth, the Government has been very mindful of the major long-term contributions that can be made by microeconomic policy. These considerations gain sharper focus against the backdrop of Australia's overriding need for a long sustained spell of steady economic growth to overcome the legacy of the late 1970s and early 1980s. Of necessity, our planning has had to adopt a medium or long-term framework.

Properly functioning, the market mechanism is a powerful engine for economic growth. By focusing attention and resources on those areas where our true opportunities exist and by reducing the rewards of those areas whose time has passed, competition can facilitate the transformation to a structure that encourages growth. The benefits of the market mechanism are therefore widely appreciated by this Government.

Where we have been persuaded by the substance of argument that deregulation will lead to net benefits, we have not hesitated to sweep away outmoded regulation and to introduce arrangements that foster genuine competition.

For example, Australia's attempt to maintain an overvalued exchange rate in the early 1980s provides a salutary lesson. The damage that an overvalued currency does to domestic industry through increased foreign competition inevitably breeds responses aimed at "correcting" the position through extra protection.

The sorry stream of plans for problem industries implemented by the previous government must be seen against the backdrop of the overvaluation of the Australian dollar. Industry policy became a short-term band-aid to alleviate the damage caused by inappropriate external policy. Little hope of long-term growth remained in these industries once the corset of protection had been imposed. Moreover, it takes

considerable time to unwind in sensible fashion these complicated and restrictive packages once they are in place, even against a backdrop of healthy overall growth.

Time is also required to recover from the effects of an overvalued currency even where extra protection has been absent. The incorrect signals sent out to industry by an overvalued exchange rate encourage industry to run down its own capacity and to set up new importing arrangements.

Consequently, when inevitably the Canute-like attempt to maintain the exchange rate fails, these industries are not well placed to take quick advantage of their opportunities. Both the capital and labour stock have to be recreated and contracts allowed to expire. In short, the flexibility of the economic system to respond to our growth policy was impaired by the misguided exchange rate stance adopted for so long by our predecessors.

Previous banking arrangements also restricted flexibility. The whole web of regulation administered through a very small number of banks encouraged the safe and narrow range of loans and discouraged the innovative and more risky financing on which competition and development depend.

As the OECD Employment Outlook pointed out anew recently, employment growth depends very heavily on the creation of new firms. With loans subject to rationing at fixed prices, and with alternative investments often providing safe returns due to their tax shelter status, the life juices of the competitive system were severely diluted simply because new ventures appeared to be risky.

The opening up of the banking system to genuine competition further contributes towards our aim of greater efficiency. Our reforms to the tax system, the details of which I have canvassed extensively elsewhere, will make our economic system more efficient as well as equitable.

Underpinning each change was a persuasion that the new arrangements would constitute a sounder base on which economic growth could proceed. Actions needed to be taken

to ensure that the market signals coming from the taxation system were encouraging people in productive enterprise.

The principle that a well functioning market economy is a prerequisite for growth has been kept constantly in mind while we have considered a range of seemingly unrelated issues. This is powerful testimony to the importance we attach to the growth objective.

The benefits of the market, however, depend upon empirics rather than textbook ideology. That something works well in the textbooks does not mean that it will also work well in real markets. The labour market is an excellent example.

There is now a large literature on the respective anti-inflationary virtues and vices of centralised and decentralised wage determination systems. My position on this issue is by now well known, and I would argue, strongly supported by the wage restraint evident under the Accord. Recent wage restraint is clearly superior to anything experienced for some very long time. In effect we have achieved a major degree of macroeconomic wage flexibility.

Putting this important aspect of the wage flexibility issue aside, I remain unconvinced of the microeconomic case advocated by the deregulators. Both here and overseas microeconomic wage setting does not seem to proceed in the fashion depicted by the competitive models of the textbooks. Evidence recently produced on the actual working of wage flexibility in the US economy suggests that it is inconsistent with textbook competitive processes.

The prominent American economist, Professor Richard Freeman of Harvard University, in association with Linda Bell, points out the existence of a strong correlation between the size of wage increases and the growth of productivity, as measured by value, across industries. That correlation has no counterpart in the textbooks.

Bell and Freeman also show that rather than expanding industries using larger wages to attract extra labour and vice-versa, the actual correlation is negative. They con-

clude, "The flexibility of the US industry wage structure has not contributed to employment growth: if anything, it has been inimical to employment and the competitive allocation of labour across sectors".

Similar results have been obtained in Australia. Professor Hancock has shown long ago that the non-centralised portion of wages, over-award payments, exhibit the same correlation with industry value productivity that Bell and Freeman show to be inconsistent with the textbooks.

Another study of over-award payments, published last year by a team based at Flinders University, also shows the actual conduct of individual firm bargaining to be contrary to the results expected from standard competitive processes.

The size of over-award pay depended not on the supply-demand balance facing a particular occupational type of labour (as the textbook would suggest), but instead varied systematically with the profitability and practices of the firm concerned (contrary to

the textbooks).

Hence, although the microeconomic flexibility of the textbook is intuitively appealing, it is extremely doubtful that decentralised wage-setting would contribute to employment growth, for the good reason that actual wage processes do not at all resemble those of the textbook — here or elsewhere. Indeed, the evidence suggests that such microeconomic flexibility could set back growth, quite apart from its clear tendency to do so by promoting inflationary wage spirals.

I hold a very healthy respect for the advantages of market processes, but that respect falls short of deification. Where they can be shown to assist our central economic objective of sound, sustained economic growth, market-based arguments will receive a receptive audience. Where they represent mere propaganda, they will go the same way as other dogmas which unnecessarily encumber our progress.

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AUSTRALIA

GOVERNMENT WARNS OIL PRICE CUTS MEAN SPENDING SQUEEZE

Sydney THE AUSTRALIAN in English 31 Jan 86 p 1

[Article by Paul Kelly]

[Text] THE Hawke Government's early reaction to the world oil price fall is that spending must be squeezed even tighter than expected next year to ensure a substantial part of the decline flows through to domestic prices.

Amid world oil market vagaries there seem to be two certainties — that domestic prices will fall to some extent to match an overseas fall and that the Government will insist petrol pricing support rather than contradict the present economic strategy.

The looming change in the political and economic landscapes that cheaper oil will bring offers risks and opportunities for the Government and provides a much needed new focus of attack for the federal Opposition.

Since the extent of the world price fall is uncertain and the oil market remains unstable, the Government is only starting to assess the implications of what could yet become the third "oil shock" since 1973.

The Opposition has seized upon the argument that the full extent of any fall in the world price must be passed on domestically. This would mean that if the fall were \$US10 (\$14) a barrel, the price should drop 6c a litre.

The Government's problem is that while passing on the full extent of any oil price fall is desirable it is probably unrealisable in budgetary terms.

The reality is that substan-

tially lower petrol prices can only go hand in hand with much tougher cuts in government spending.

As world oil prices fall so does federal revenue from the crude oil levy, leaving the Government with the choice of either letting the domestic price fall and absorbing the lost revenue in spending cuts, or alternatively, of maintaining its revenue by some new combination of petroleum levy or increase in excise on all petrol products.

This is a decision over whether cheaper petrol or raising revenue is more important.

The ultimate outcome inevitably points to compromise.

Cheaper petrol means a lower consumer price index (CPI). Rough government estimates are that a \$US10 fall would slice 1 percentage point off the CPI with the indirect effect being the same again.

With Australia's inflation rate higher than that of its trading partners such an obligation cannot be ignored. But raising revenue is basic to delivering on promised personal income tax cuts and a lower deficit — both fundamental in lowering inflation.

The oil crunch, if it comes, will force the Government to order its priorities and the fundamentals in its approach are clear.

The first is that the promised 1986-87 tax cut of \$2000 million is non-negotiable.



This tax cut is a function of wages policy.

It is basic to the Government-ACTU accord, which means that yesterday's 2 per cent CPI increase will not flow through to wages.

For the Government to abandon its wages strategy would be to abandon political life itself.

For different reasons the 1987-88 tax cut of \$4500 million can also be expected to stay.

This gives effect in an election year to the lower marginal tax rates that are an essential part of the Keating tax reform.

The second fundamental for the Government is a further cut in the Budget deficit next year — the fiscal link into winding down inflation.

Only after the priorities of tax cuts and deficit reduction are met can the Government turn to the next objective — passing on as much of the petrol price fall as possible.

It is here that the Government does hold a trump card. Given the total government tax on crude oil any price fall is born 70 per cent by government and 30 per cent by the company. So in revenue terms the Government needs only to recoup 70 per cent of the price fall.

It could, for instance, increase excise or impose a tax on all petrol products to regain all the lost revenue from the crude oil levy and still preside over a fall in petrol prices for the motorist.

So a revenue neutral result is consistent with some fall in domestic petrol prices.

But a big fall will necessitate further cuts in government spending and, contrary to popular mythology, these are difficult to make and politically risky.

Cabinet decided this week to set up a task force to advise on the next price adjustment on March 1.

The political danger for the Government is that by refusing to pass on the full price fall it will be accused of putting taxation ahead of lower inflation and regaining international competitiveness.

This attack will be potent in the bush.

But if oil prices fall significantly this must stimulate activity in northern hemisphere economies with some spin-off for Australia.

The risk is that the international financial crisis will deepen with debtor nations that rely on oil revenues only facing an even greater balance of payments problem.

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AUSTRALIA

U.S. LOAN RATE CUT LOWERS MINIMUM WHEAT PRICE

North Richmond THE LAND in English 16 Jan 86 p 3

[Article by Phillip Bate and Bruce Mills: "GMP to Drop in Wake of Farm Bill"]

[Text] THE GUARANTEED Minimum Price (GMP) for Australian wheat in the 1986-87 harvest could fall \$A5-\$10 a tonne as a result of a sharp cut in the US loan rate.

Retiring US Secretary of Agriculture, Mr Block, announced on Monday the US 1986 loan rate would be set at \$US2.40 a bushel (\$US91.20 a tonne), down from \$US3.30 bushel (\$US125.40 a tonne) in 1985.

The loan rate is a minimum US farmers can be paid for wheat and it has, in the past, acted as a world benchmark price.

For Australian farmers the loan rate cut could mean a drop in their benchmark price from \$A180 a tonne to \$A130 a tonne.

Due to market conditions the AWB estimates world grain export prices could drop \$US20 (\$A29) a tonne.

Economist with the Australian Wheatgrowers Federation, Mr Ray Jeffrey believes the new loan rate will cut the world price by only about \$A20 (\$US14) a tonne.

He said the loan rate cut will be bad news for Australian farmers, as next season's GMP could be cut by \$A5-\$10/tonne.

Mr Jeffrey said the lower US price will only apply to new harvest receivals in the US and will not apply to grain already held in stock.

By then the AWB should have sold most of this year's harvest so the impact for Australian farmers will come for the 1986-87 harvest," Mr Jeffrey said.

Because of the GMP averaging arrangements — taken over three

years — for the 1986-87 GMP to fall \$10/tonne, world wheat prices would have to fall by \$A30/tonne this year, he said.

"This could well happen, but if the Australian dollar depreciates against the US dollar Australian farmers would be protected."

Mr Jeffrey said although the loan rate would no longer underpin world wheat prices, there was a strong likelihood of less wheat being available.

**Aggressive**

The loan rate cut will have longer term benefits for Australian growers in that it will discourage production in the US and lead to a rundown in stocks and ultimately higher world prices.

The lower loan rate will also make the European Community's task of supporting its internal wheat price more expensive and thus help boost reform of the Common Agricultural Policy.

The short term effects on Australian growers is likely to give added strength to demands from the farming sector for Government assistance in restraining costs.

The new US loan rate forms part of a new Farm Bill, passed by Congress to take effect on July 1, designed to cut increasing US farm production and stocks while at the same time adopting an aggressive export program.

This effectively reduces floor prices for US wheat by \$US30 a tonne and lowers US export prices accordingly.

World wheat prices have already declined slightly in anticipation of a

lower loan rate and the AWB expects a further \$US20 (\$A29) tonne drop in prices when the Bill takes effect in the second half of the year.

According to AWB staff, the decision by Mr Block to set the US loan price as low as possible signals a US intention for an aggressive export program backed by subsidised deficiency payments to US farmers.

If there is an 85 per cent participation in the US Farm Program then the subsidy paid by the US Treasury in the form of deficiency payments will be about \$US3 billion or some \$US72 a tonne, a rise of more than 80 per cent from the 1985 level.

With US farmers in the Farm Program required to leave 25 per cent of their farm wheat area idle, 1986 US wheat production is expected to fall about 10 per cent to 59 million tonnes, due to the already announced fall in 1986 winter wheat plantings and the expected high participation in light of the 30 per cent lower loan rate and 80 per cent higher deficiency payments.

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AUSTRALIA

ARTICLES EXAMINE 'MYTH' OF WIDESPREAD AGRICULTURAL REVOLT

Melbourne THE AGE in English 28, 29 Jan 86.

[Article by Geoffrey Barker: "The Myth of the Rural Revolt"]

[28 Jan 86 p 11]

[Text] In the first of two articles **GEOFFREY BARKER** examines claims of a widespread revolt among Australia's agricultural community.

**I**T IS widely held that a powerful new political movement may be emerging in the Australian bush. The country's farmers, once sturdy, self-reliant sons of the soil, are perceived to be converting themselves into an organised body of angry and unpredictable political militants.

Motivated by deteriorating economic prospects, the farmers have held some impressive mass protest rallies throughout Australia under the banner of the National Farmers' Federation. These and other NFF activities have worried the Federal Government which has sympathised with the plight of farmers but offered only limited concessions so far.

Now the NFF is talking about intervening directly in the pre-selection of political candidates in rural areas, and about directing votes away from candidates who are not sufficiently enthusiastic supporters of its doctrinaire free-market policies. "All the Labor people in the rural marginal seats know we could boot them out if we wanted to," the NFF president, Mr Ian McLachlan, boasted last week.

But — as these articles will argue — it is far from clear that anything like a "rural revolt" is taking place in Australia, and it is extremely doubtful whether NFF pressure is capable of exercising anything approaching a decisive influence on the outcome of the next federal election.

There are powerful and obvious social, economic and political reasons why the Go-

vernment should respond to the plight of Australia's troubled rural industries, but it can at the same time afford to be reasonably relaxed about the thunder from the NFF. Despite serious long-term difficulties facing some Australian rural industries, the number of farmers at risk, although increasing annually, is still a small minority.

So what produced the perception that a new and politically destabilising militancy is emerging among Australia's 172,000 farmers? Obviously it is partly because of the serious economic difficulties now affecting roughly half the country's farmers. Just as important is the rise of the doctrinaire NFF and Mr McLachlan.

A key indicator of the overall health of Australian agriculture is the real net value of rural production, which, according to a recent EPAC report, will fall by an estimated 20 to 25 per cent in 1985-6 to its second lowest figure for 30 years. At the same time there has been a long-term decline in farmers' terms of trade.

While the protectionist agricultural policies of the European Community and, more recently, the United States drive down farm commodity prices, many Australian farmers face an economic witches' brew of low incomes, falling land values, high interest rates and rising indebtedness. Increasing numbers of farms are classified by the Bureau of Agricultural Economics as "at risk" and farmers have falling levels of equity in their property.

Although the Primary Industry Minister, Mr Kerin, says he is not sure whether current farm difficulties are cyclical or more profoundly structural, the BAE strongly believes that there are important structural difficulties in the grain, sugar and dairy industries particularly. "Those industries will

survive, but not in their present form", a spokesman said last week.

This broad overview of the rural outlook might seem to provide fertile ground for a substantial rural revolt by farmers threatened by domestic and foreign forces over which they have no control. But there is a brighter side to the picture.

Prospects for the wool and beef industries will be, according to the BAE, quite reasonable for several years. Therefore roughly half Australia's farmers are facing no immediate crisis, even if they are not enjoying boom prices.

While it seems that more than a third of all farms had zero or negative incomes in 1984-5, and many had very low incomes, it is also true that many farmers supplement their farm incomes by taking jobs off their farms which bring in several thousand dollars a year.

BAE figures to be presented at this week's National Agricultural Outlook Conference will show that the number of farms "at risk" is increasing. (An "at risk" farm is one with a negative cash margin and less than 70 per cent equity.)

But it is also true that percentage of "at risk" farms remains in single figures for most categories of farms. In 1984-5, seven per cent of sheep farms were at risk, 2.4 per cent of beef farms, 4.4 per cent of sheep-beef farms, 5.8 per cent of wheat farms and 7.4 per cent of dairy farms. That, of course, implies, that around 90 per cent of most farms were not "at risk". Furthermore there is no evidence that banks are foreclosing on any farms.

Despite falling levels of equity, 1984 figures show that 82.2 per cent of sheep farmers held between 80 and 100 per cent equity in their properties, 93.7 per cent of beef farms held 80 to 100 per cent equity, 87.5 per cent of sheep-beef farmers held 80 to 100 per cent equity, 76.3 per cent of wheat farmers held 80 to 100 per cent equity and 78.4 per cent of dairy farmers held between 80 to 100 per cent equity. A BAE spokesman said it was a rough rule of thumb that farmers could continue to borrow so long as they had 70 per cent or more equity in their properties.

Concluding its recent report, EPAC noted that "a significant proportion" of farmers had no debt at all. It added:

"This is expected to continue to be the case despite the sharp increase which has occurred in the aggregate debt of the farm sector during 1985 and the decline of land values in some areas.

"Nevertheless the combination of high interest rates and low incomes and the associated fall in land values in some regions has threatened the viability of a relatively small group of farmers with already relatively low levels of equity."

None of this is intended to diminish the serious problems facing Australia's wheat, dairy and sugar farmers. But it does suggest

that there is a certain hyperbole in Mr McLachlan's frequent claim that farmers are close to being out of control and ready to rush to the barricades. It suggests that grim reports on the struggles of individual farmers are highly selective and not at all representative of all or even many farmers.

There may be hardship, frustration and anger in the bush, but there is hardly any evidence of an emerging mass movement of militant politicised farmers. Mr McLachlan's NFF may be able to turn out a crowd; it is quite another thing to turn out a vote.

What Mr McLachlan has done most successfully is to give popular expression to the bitterness of farmers towards Australia's protected manufacturing sector. Despite his Cambridge education and well-cut suits, he is still a bit of country farrikin. "For Christ's sake, we are sick of paying for everybody else", he said this week. "Sick of it. Had it. It's not a matter of logic any more . . . not going to bloody-well pay for every other bastard in secondary industry. Don't give a bugger about what the Government says is the logic of it".

By getting out the crowds behind his calls for further devaluation, an end to tariff protection for secondary industry, and for free-market industrial relations, Mr McLachlan has concentrated the minds of both the National Party and the Labor Government.

Within weeks of his slashing attack on the National Party at its Federal Council meeting last October ("there is great dissatisfaction with your performance in the bush"), the party's national secretariat published a long document entitled 'Broad Policy Comparisons — Nationals and NFF'. It sought to show that the two organisations were not seriously at odds on central policies, and revealed the party's belief in the potential rural political influence of the NFF.

So far the Federal Government has reacted with cautious sympathy to NFF demands. The decision to float the dollar benefited farmers, and last year's budget gave farmers concessions worth \$46 million in a full year. Mr Kerin is known to be apprehensive about the potential political influence of the NFF and anxious to get Cabinet agreement to further concessions for troubled rural industries.

Last week Mr McLachlan had a considerable victory when the Government backed down on its fertiliser bounty to WA farmers. Mr Kerin said later that governments were "used to all sorts of threats and provocations . . . you really can't govern by taking into account the relative militancies or who's yelling the loudest". That was, of course, precisely what the Government did to correct what was a stupid decision in the first place.

But still Mr McLachlan maintains the NFF has not yet had great success. "We have made a lot of noise. I did not design the noise; the noise was designed for me. I'm not a PR man". Not much he isn't.

[29 Jan 86 p 13]

[Text] **T**HE National Farmers Federation sees itself as the uncompromising vanguard of economic rationalism. Its sacred mission is to force all political parties to abolish protectionism, dismantle centralised wage fixing and let market forces adjust exchange and interest rates. Mr Ian McLachlan, the NFF president, summed up the organisation's approach in his address to the NFF council last November: "... the challenge facing the NFF is to marshal the frustration and anger among our members and use it as a force to achieve changes ... we must focus on fundamental changes, and not allow ourselves to be placated by short term-palliatives ... we must be the catalyst."

Translating these objectives into electoral pressure is the job of NFF deputy director Mr Rick Farley.

He has prepared a target list of 29 rural and provincial marginal seats (13 ALP, nine National, and seven Liberal) in which, he argues, the NFF could play a decisive role. Initially, he says, the NFF would encourage its members to question candidates for party preselection and rank them according to the extent to which they supported NFF policies. They would repeat the process when candidates were selected and urge voters to support those most favorable to the NFF, irrespective of party.

In fact, the NFF's claim to be party neutral is at odds with the political reality, despite Mr Farley's observation that "there are 'Dries' in all parties at the moment". The reality is that the still-evolving economic policies of the Liberal and National Parties are certain to be closer to the NFF's doctrinaire position than policies of the Labor Party. Therefore it seems reasonable to assume that the NFF will be overwhelmingly directing votes away from Labor at the next federal election if it organises its proposed campaign.

To assess the potential impact on the parliamentary majority of the Labor Government, it is necessary to make some large assumptions. The first is that the electoral swings in marginal rural seats in 1984 will be roughly the same when the next election is held. The second is that voters in regional towns will identify their interests with those of the farmers of the NFF.

Bearing in mind these arguable assumptions, the coalition parties have to win nine seats from Labor to return to government. At present, Labor and the coalition parties each hold 28 seats which are classified as marginal by election expert Malcolm Mackerras.

Of the 28 Labor marginals, eight are classi-

fied as rural and four as provincial by the Commonwealth Electoral Office. But it is significant that several of the rural seats (eg, McEwen, Vic, and Eden-Monaro, NSW) have large and growing urban components which tend to favor Labor. In three, there was actually a swing against the coalition parties in 1984, and the swing to the coalition in only two (Brand, WA, and Rankin, Qld) was greater than the overall swing of 1.4 per cent to the coalition in the last election.

The 28 coalition marginals include 17 seats that require a swing of less than four per cent to fall to Labor (four NP and 13 Lib). Nine of the 17 are either rural or provincial, and five of those nine seats would fall to Labor on a swing of 1.5 per cent or less.

But rural and provincial electorates are funny things. A good country member can defy a national swing against his party; and while people in regional and country towns tend to identify their prosperity with the prosperity of surrounding farmers, it is far from obvious that they would identify their prosperity with the uncompromising anti-McEwenism of the NFF.

Furthermore, there is a grudging recognition in the country that Labor's Primary Industry Minister, John Kerin, understands and sympathises with troubled farmers. At the same time, the Labor Party has been improving services — especially communications — to marginal rural and provincial electorates.

Although it is impossible to predict how strong or weak the Hawke Government will appear in nearly two years time, it is reasonable to assume that it will not campaign as long or as badly or as complacently as it did in 1984. That can only help the Government.

None of this is, of course, decisive. But it certainly suggests that Labor is not necessarily vulnerable in its marginal rural and provincial electorates. Indeed, conservative country people may feel more comfortable with Labor if the coalition parties embrace NFF views too enthusiastically.

For all its noisy visibility, the political aims of the NFF are far from clear. It claims to be an unaligned pressure group of angry, frustrated farmers who are seeking to push all political parties further down the free-trade road.

But it has brought more grief to the National Party than to any other party. Indeed, Mr McLachlan spoke last week about the need to "bludgeon down this old McEwenism". Deputy NP leader Ralph Hunt has seemed happy to wield the bludgeon in several speeches, but NP leader Ian Sinclair has had some emotional public exchanges with Mr McLachlan.

Mr McLachlan, a South Australian grazier

who cannot remember whether he is a financial member of the Liberal Party, certainly combines the Liberal "Dry" line with his populist style. "We should be looking at real absolute cuts in government expenditure across all programs at both federal and state level... the case for selling off some or parts of many of these government-owned bodies will be established", he told the NFF council.

Mr McLachlan protests that he has no political ambitions. He just wants to serve his term as NFF president and go back to running his four sheep farms. He also has strong views about political parties: Labor started well, but has gone into reverse; Mr Hunt's directions for the National Party are better directions; Liberal policies most closely reflect NFF views, but he doubts the Liberals would implement them.

Given his belief that the Liberals would be more likely to implement their policies under electoral pressure from the NFF, it would be logical for him start casting around for one of those safe SA Liberal seats. Perhaps we are witnessing, in the NFF, the rise the rural wing of Liberal economic rationalism.

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CSO: 4200/706

AUSTRALIA

SOCIALIST LEFT MEETING AVERTS SPLIT

Sydney THE AUSTRALIAN in English 31 Jan 86 p 3

[Article by Paul Austin: "'Cordial' Meeting of Socialist Left Averts Split"]

[Text]

A SPLIT in the strife-torn ALP Socialist Left has been averted, at least for the time being, by a "cordial" meeting yesterday of 10 of the faction's most influential members.

The meeting of the crisis committee, which includes leaders of the warring old and new guards, was a small but significant step towards bringing the two sides together so the Left can remain the dominant faction in the Victorian ALP.

The convener of the committee, Mr Ray Hogan, said after the meeting that he was confident a formal split could be averted.

Mr Hogan, the Victorian secretary of the Miscellaneous Workers Union (MWU), told *The Australian* last night: "The meeting was very constructive and I believe there is every opportunity for the Socialist Left faction in Victoria to iron out any differences that may exist and to continue to be a very progressive force in the Labor movement.

"The committee members agreed it was important to work as a committee to maintain a unified Socialist Left grouping."

Mr Hogan, who does not fit comfortably in either the militant old guard or the more moderate new guard, is committed to avoiding a split.

He is a member of the ALP national executive, which on Sunday will resume hearing the expulsion case against the leader of the old guard, Mr Bill

Hartley.

Mr Hogan said Mr Hartley's case was not discussed at yesterday's meeting.

Influential members of the new guard had previously feared the old guard might try to use the committee to gather support for Mr Hartley in his bid to avoid expulsion from the ALP. They had warned there was no way they would allow the committee to become a "Save Bill Hartley Committee".

Mr Hogan said the committee had agreed to meet again on Friday. It is expected Mr Hartley will have been expelled from the party by then.

Preliminary discussions were held at yesterday's meeting on the Left's internal feuds and the controversial structure of the faction, which gives small unions equal voting power with larger, more influential unions.

The 10 left-wingers who attended yesterday's two-hour meeting at the Melbourne offices of the MWU were: Mr Hogan; the convener of the Left and former Victorian ALP president, Mr George Crawford; the State ALP president and federal MP, Mr Gerry Hand; the State secretary of the Amalgamated Metalworkers Union (AMWU), Mr John Halfpenny; the Victorian secretary of the Australasian Meat Industry Employees Union (AMIEU), Mr Wally Curran; the State Member for Melbourne West Province and campaigner



against secret police, Mrs Joan Cocksedge; the State president of the AMWU, Mr Percy Johnson; the ALP organiser, Mrs Jenny Beacham; the administrative secretary of the Left, Mr Kim Carr; and executive member, Mr Ralph Edwards.

The committee seemed to be slanted towards the new guard.

Mr Hand is regarded as the new guard's nominal leader, and Mr Halfpenny, Mr Curran, Mrs Beacham and Mr Carr are all closely identified with the group.

Mr Crawford and Mrs Cocksedge are leaders of the old guard, and Mr Edwards normally votes with this group.

Mr Johnson is not regarded as a member of either group but is known to be a close friend of Mr Hartley and Mr Crawford.

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AUSTRALIA

BISHOPS ASKED TO DISBAND GROUP 'LEANING TOWARDS COMMUNISM'

Sydney THE AUSTRALIAN in English 29 Jan 86 p 3

[Article by Errol Simper: "Catholic Commission 'A Communist Haven'"]

[Text] A PROMINENT Catholic group has called on Australia's Catholic bishops to disband the church's controversial Catholic Commission for Justice and Peace and give its funds to the poor.

The president of the Newman Graduate Association, Mr Patrick Newman — the association is named after the distinguished English priest and scholar of the last century, Cardinal John Henry Newman — yesterday accused the commission of being little more than a mouthpiece for "atheistic communism".

Mr Newman said the commission, which was widely criticised for its latest social discussion paper, Work For A Just Peace, wielded a substantial influence over Catholic education and the Church's media, and claimed the arguments the commission was provoking could weaken the structure of the Catholic Church.

Mr Newman's deputy, Father Terrence Purcell, accused the commission of "choking left-wing political views down people's necks".

Work For A Just Peace has several aims, including a re-evaluation of Australia's defence relationship with the United States, the removal of the North-West Cape military base and the declaration of Anzac Day as a "national day of peace and reconciliation".

Speaking in Sydney, Mr Newman said he was appalled by the inaction of Catholic bishops in the face of a nominated church body blatantly

"giving out leftist propaganda".

"The only way I can excuse what they're doing — allowing the church to be politicised towards the Left — is to assume they believe if they do nothing this will all just blow over and the church will survive and everything will be all right.

"I think they should withdraw all funds from the commission (about \$250,000 last year), with the money given to the poor for which it was intended. And I think it is the duty of the bishops to make sure that is done."

Mr Newman also proposed the commission be disbanded in its present form.

"We certainly need something of its type. There does need to be an organisation, I admit, for stating the doctrines and the teachings of the Church in social matters. I think this is very necessary.

"But as things are, the wrong people are saying the wrong things. Communists do have a very healthy regard for the Catholic Church in that they realise its teaching is anti-communist.

Awareness

"And I think the bishops have got to realise this is what we're talking about. They're allowing a bureaucracy like the commission — which they're funding so generously — to speak volubly for Marxism, leaning towards atheistic communism."

The assistant national secre-

tary of the Catholic Commission for Justice and Peace. Mr. Peter Frazer, said last night, that the commission had been deliberately misinterpreted and misunderstood.

"We are not anti-American and we are certainly not pro-Soviet," he said. "The fact is that the theology of the paper has never been questioned.

"But Third World poverty is linked in with the nuclear arms race, and in order to conform to our charter we have a duty to raise people's awareness of the situation."

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AUSTRALIA

ARTICLE DETAILS ANTARCTIC SCIENTIFIC ACTIVITIES

Auckland THE NEW ZEALAND HERALD in English 27 Jan 86 p 6

[Article by Richard Brewster: "Australia Looks to Holding in Antarctica"]

[Text] Australia has stepped up its scientific activities in the Antarctic with the most extensive research programme in the Australian Antarctic territory for at least seven years.

A total of \$33.9 million has been allocated to the Australian Antarctic Division in Hobart for 1985-86 -- a 9.8 percent budget increase -- and activities include an ambitious summer research programme involving 94 scientists and technicians.

The major projects are:

--A survey of Commonwealth Bay in the eastern sector of the Australian Antarctic Territory. This is a preliminary step towards establishing the first Australian station there since Sir Douglas Mawson's hut was set up in 1911.

--A multi-disciplinary study of the Bunger Hills, a large ice-free area 450 kilometres west of Casey station.

--A research programme at Heard Island, a glacier-covered volcano about 2500 km south-west of Perth which erupted last summer.

--A two month cruise to investigate life at the edge of the sea ice.

--A study of the Totten glacier, 220 km east of Casey station, as part of the detailed international investigation of the dynamics of large glaciers.

When he issued details in September of Australia's summer programme, the Minister for Science, Mr Barry Jones, said Australia, which claims 42 percent of Antarctica, had a large stake in it.

## Life at Edge of Sea Ice

"We were among the first nations to establish a presence there, and we have a long and proud history of discovery, exploration and research," he said.

"We are taking our Antarctic responsibilities very seriously. In a situation in which more and more countries are expanding their programmes there, Australia cannot be left behind."

The first project to get under way was the two-month cruise to investigate life at the edge of the sea ice.

One of Australia's two chartered Antarctic supply vessels, the Nella Dan, left Hobart on September 16, dropped an expedition of 14 at Heard Island to examine elephant seal populations, and continued to Amundsen Bay, of Enderby Land in the Australian Antarctic Territory, to carry out its research. The Nella Dan subsequently became trapped in ice.

Although it became necessary to ask the Royal Australian Navy for assistance with supply voyages normally carried out by the Nella Dan, the director of research at the Antarctic Division, Dr Pat Quilty, said that with the ship trapped, scientists were able to conduct projects usually not possible on a cruise of this nature.

## Little Known Seal

For example, by being stuck in an ice floe, the ship acted like a drifting buoy, providing scientists with information on surface water movement in the area, he said.

The satellite readings of the Nella Dan's movements were compared with those of three drifting buoys deployed in the region in March.

One of the major aims of the research cruise was to study the little-known crab-eater seal, considered to be an indicator of the health of Antarctic marine life because the main part of its diet comprises krill, prawn-like creatures central to the ecosystem.

Dr Quilty said the seals could be a useful indicator of krill populations. A means of monitoring krill was necessary before any large-scale harvesting of krill -- the largest relatively untapped source of animal protein in the world -- could be contemplated.

Dr Quilty said that, because the Nella Dan had been trapped, scientists on board had been unable to estimate total crab-eater populations. However, they had been able to closely study family groups and record the weight of individual pups.

## 'Greenhouse' Effect

By sending specially equipped divers under the ice, scientists attempted to study krill populations and to determine where the vast swarms went in winter.

Two different species of krill -- one for shallow and one for deep water -- were found as a result of the experiments.

Other experiments were important to knowing the long-term effect man was likely to have on the Antarctic environment.

Dr Quilty said scientists believed that in about 50 to 90 years temperatures, particularly in the polar regions, would increase by six to eight degrees celsius because of the "greenhouse" effect and result in a melting of the ice caps.

Work being carried out at Melbourne University and an extensive glaciology research programme near Casey was trying to determine the rate at which the various gasses -- carbon dioxide, carbon monoxide, nitrous oxide and methane -- which control the greenhouse effect were increasing.

Dr Quilty said the scientists so far had drilled to a depth of 600 metres to ice 40,000 years old. Within 10 years they would reach 4,800 metres to ice up to 500,000 years old.

"Each layer of ice contains bubbles of air, enabling us to determine the composition of the atmosphere at that time," he said.

"If we can study several glaciation cycles back 500,000 years, perhaps we can predict both the start of the next one and also the beginning of the next warmer period."

Australian scientists would study the Totten glacier this summer as part of an international glaciological programme to examine ice stability in the Antarctic, he said.

## Geological Research

Scientists on board the Nella Dan have used the time while trapped to drill through the four-metre ice floe to learn more about the factors controlling heat exchange as the ice began to melt.

World weather patterns were affected by heat exchange between the ocean and the atmosphere and both the Arctic and Antarctic played a major role in the process.

Dr Quilty said that this summer an expedition of 23, including scientists from the Bureau of Mineral Resources and universities throughout Australia, would be carrying out geological field programmes.

"They will provide information on the past geological history of Australia when it was part of the much larger Gondwanaland," he said.

Australia's other supply vessel, the Icebird, was involved in a site survey of Commonwealth Bay to determine the feasibility of establishing the first Australian station since Mawson's 1911 expedition.

Dr Quilty said 105 people would winter at Australia's four stations -- Casey, Davis and Mawson in the Antarctic and Macquarie Island in the sub-Antarctic.

Fourty-five winter research projects would be conducted in upper atmosphere physics, medicine, cosmic ray physics, geophysics, glaciology and terrestrial biology.

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CSO: 4200/703

NEW ZEALAND

LANGE BELITTLES U.S. CONGRESS VIEW ON ANZUS SUSPENSION

Auckland THE NEW ZEALAND HERALD in English 23 Jan 86 p 5

[Text] The armed services committee of the United States House of Representatives did not speak for the Reagan Administration when it said New Zealand could be suspended from Anzus because of the nuclear ships row, the Prime Minister, Mr Lange, said yesterday.

A congressman, Mr Sam Stratton (Democrat), the leader of a committee delegation which visited this country earlier this month, said in Washington yesterday that it might be possible to suspend New Zealand's membership in the expectation that when the present restrictions were lifted, New Zealand might be readmitted.

But Mr Lange said such a statement was not unexpected in view of the strident comments made in Christchurch by Mr Stratton.

"I think it is important to realise that the committee does not speak for the United States Administration," Mr Lange said.

**Constructive**

"New Zealand will not waver on treaty obligations. There is no [Reagan] Administration statement which gives substance to any of Mr Stratton's reported remarks."

Mr Lange compared the statement with those made by the chairman of the Asian and Pacific affairs subcommittee of the House of Representatives foreign affairs committees, Congressman Stephen Solarz,

who met Mr Lange last week.

Mr Solarz had a much closer involvement in the ship-visits issue, Mr Lange said.

Before Mr Solarz left, he had said he felt that, with genuine determination on both sides, a solution was possible and that he would work for a constructive settlement on his return to the United States.

**Official Line**

And Australia has made clear that at no time has it suggested that New Zealand be suspended from the alliance while it is given time to reconsider its stand on nuclear-ship port calls.

"Neither the Prime Minister, Mr Hawke, nor the Defence Minister, Mr Kim Beazley, in talks with a congressional delegation proposed that New Zealand be suspended from Anzus," a senior Australian official said last night.

In Washington, United States officials would not comment on Mr Stratton's remarks except to reiterate the official line that should New Zealand enact adverse legislation with the effect of banning United States ships its defence commitments to



New Zealand under Anzus could be terminated.

### Arms Sales

Mr Stratton said later that Congress would also have to consider the sales of high-technology Sidewinder missiles to New Zealand as part of its pressure on this country.

"It is something you have to think about," he said. "How can you ask the United States to provide the latest in missile technology, but don't allow sailors to go in for a beer?"

However, it is the Senate, not the House of Representatives in which Mr Stratton holds his seat, that has oversight of foreign arms sales.

The Sidewinder deal — a government-to-government purchase order — was agreed to late last year by the United States Department of Defence.

Once a sale has been approved by the Defence Department it is virtually unknown for it to be stopped by the Senate.

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CSO: 4200/702

NEW ZEALAND

ENVOYS TO U.S., UK OPTIMISTIC ON ANZUS SOLUTION

Auckland THE NEW ZEALAND HERALD in English 24 Jan 86 p 4

[Text] New Zealand's nuclear ship visit problems with the Americans are "quite small and definitely not insurmountable," the New Zealand High Commissioner to London, Mr Bryce Harland, told British businessmen yesterday.

Mr Harland told the London Chamber of Commerce and Industry that the Government was looking for a way of carrying out its own policy without challenging those of the United States and Britain.

The objective was to "open the door for the resumption of American and British naval visits to New Zealand."

In Washington, the New Zealand ambassador, Sir Wallace Rowling, said New Zealand and United States political ingenuity would be tested over the next few months as they sought to find a solution to the Anzus dispute.

"The legislation at present being construed to confirm our nuclear-weapon-free status is being carefully devised so as not to directly challenge the United States and United Kingdom policy of neither confirming nor denying the presence of nuclear weapons on their naval vessels," he said.

"We are hopeful that before the measure finally becomes law we will be able to reach an understanding with the United States which would see a resumption of ship visits."

Sir Wallace was giving a lecture on New Zealand at the Smithsonian Institution.

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CSO: 4200/702

NEW ZEALAND

USSR DISARMAMENT ENVOY LAUDS WELLINGTON NUCLEAR POLICY

Auckland THE NEW ZEALAND HERALD in English 24 Jan 86 p 4

[Text] The New Zealand ban on nuclear-armed ships was praised yesterday by a representative of the Soviet Union, Mr Yuri Nazarkin, who said his nation would not fire any missiles at the South Pacific.

Russia supported in principle the proposals for a nuclear weapons-free South Pacific but the details of such a treaty would be discussed in Moscow early next month, Mr Nazarkin told a press conference in Canberra held to promote Soviet plans for nuclear disarmament.

"The Soviet Union is not going to target its missiles to the South Pacific," he said.

Mr Nazarkin said his Government believed the New Zealand ban was a

move in the right direction.

"Any limitations on nuclear weapons activities could help to reduce the nuclear danger and from this point of view I think New Zealand's actions are quite helpful," he said.

Mr Nazarkin acknowledged that his country had military forces in the South Pacific, but he said these were only there because the United States facilities in the region were a "threat to our communications."

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CSO: 4200/702

NEW ZEALAND

LANGE SUPPORTS INQUIRY ON DEFENSE LEAKS

Auckland THE NEW ZEALAND HERALD in English 29 Jan 86 p 3

[Text] The Prime Minister, Mr Lange, last night brushed aside mounting political pressure for the resignation of his Minister of Defence, Mr O'Flynn.

Mr Lange expressed full confidence in the Chief of Defence Staff, Air Marshall Sir Ewan Jamieson, who has launched an internal Ministry of Defence investigation into recent "leaks" of information to the Opposition and the news media.

"The military are disciplined, he is a person of integrity, they will investigate it and action will be taken," said Mr Lange last night.

**Slim Chances**

But he admitted that the chances of finding who had released the information on issues such as the procurement of military equipment, manning levels and defence exercises were slim.

The inquiry is being left to the ministry, even though this week both Mr Lange and Mr O'Flynn accused some military officers of disloyalty as a result of the leaks.

Mr Lange yesterday avoided answering a question about Mr O'Flynn's allegations that the ministry had flouted his ministerial authority in some instances.

The latest defence row flared this week when Mr O'Flynn distributed a 12-page explanation of actions and decisions made during

his time as the Minister of Defence.

He cited two instances when his requests for more information were ignored by the ministry, and where his authority had apparently been taken for granted.

The statement brought to the surface the military establishment's deep suspicion of the Government — its anti-nuclear policy in particular.

The Leader of the Opposition, Mr McLay, last night labelled the situation "an unprecedented rift between an incompetent Minister of Defence and his senior advisers."

Mr Lange had a constitutional responsibility to deal with the rift, and if this could not be done then there was no alternative but to seek Mr O'Flynn's resignation.

Mr McLay said he could not recall a similar, or more serious, rift between a minister and his officials for more than 20 years.

"Clearly Mr Lange must deal with the situation urgently, with a major review of defence policy under way and with very serious problems facing New Zealand's defence forces as well as the possibility of the suspension of

Anzus," he said.

Mr McLay rejected suggestions that his defence spokesman, Mr Doug Kidd, had been receiving defence material improperly for some time.

### Controls

"Mr Kidd's only contact with the military has been in accordance with strict controls imposed on all Opposition MPs by Mr O'Flynn," he said.

For the first time the Minister of Defence had insisted that any such contact by Opposition MPs had to be approved by him.

"The real problem lies with Mr O'Flynn — he is not competent to control his department," said Mr McLay.

"He is not even allowed to talk to the media. In short, he can do none of the things expected of a minister. He should resign."

But Mr Lange said last night that Mr McLay was always asking people to resign.

"This is one more oppor-

tunity for him to do that before he is asked to resign," said Mr Lange.

He said the National Government had ended up with a complacent Defence Minister and there had been a "defence establishment which had two days of spares and ammunition at one stage, four frigates in a bad state of repair, and run-down morale."

### Short Holiday

Mr Lange said that all this time the then Minister of Defence had got on very well with the ministry.

Meanwhile, Mr O'Flynn will try to turn aside the controversy today, when he leaves his Beehive office to take the rest of the week on holiday in Auckland.

A spokesman for his office said yesterday that the holiday had been arranged for some time. Mr O'Flynn would be back in Wellington in time for the cabinet meeting on Monday.

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CSO: 4200/702

NEW ZEALAND

FINANCE MINISTER MOVING TO REFINANCE DEBT

Auckland THE NEW ZEALAND HERALD in English 31 Jan 86 p 4

[Text] Restructuring the overseas debt would eventually save many millions of dollars, the Minister of Finance, Mr Douglas, said yesterday.

Mr Douglas has moved to refinance existing overseas debt at lower interest rates or with an improved spread of currency risks.

"This reflects the Government's commitment to a very active programme of debt management aimed at reducing the debt servicing costs burden which New Zealand incurred under the previous Government," he said yesterday.

Over the past year the Government had reviewed the structure of the debt incurred by the previous Government and found that large savings could be made in long-term costs.

**Longest Term**

"We then undertook an on-going programme to adjust the mix of currencies, and where possible achieve longer maturities, to diversify the overall balance of existing debt."

Mr Douglas said actions in the programme included:

- A £100 million floating rate issue last July which would save about \$700,000 a year through a lower interest rate than the debt being replaced.

- A \$US200 million issue

offered in New York in November with a 20-year maturity, the longest sought by New Zealand for some years in any currency except sterling, to refinance debt in other currencies.

- A fixed-rate, 25-year issue announced earlier this month of \$US150 million in the domestic American market at 9.875 per cent, the first time since 1979 that a note of that kind had been issued with a coupon below 10 per cent.

- This week's announcement of a further programme of United States dollar borrowing. United States interest rates are at their lowest point for a number of years.

Mr Douglas said it was not possible yet to say exactly what the savings would be.

"But they are massive. The programme is worth many millions of dollars to the New Zealand taxpayer for a long time to come."

Since July 1984, the Government had borrowed \$6.1 billion overseas and made repayments of \$4.8 billion, leaving a net increase of \$1.3 billion in Government overseas borrowing.

### ***No Requirement***

As a result of the float of the dollar, the Government now had no requirement to borrow overseas except to refinance maturing debt or when it chose to increase overseas reserves, Mr Douglas said.

Any money borrowed over and above refinancing needs went into reserves, which now stood at about \$3 billion, compared with \$1.46 billion at the time of the election.

Mr Douglas said: "We are now able to obtain significantly better deals on behalf of New Zealand than we could have under the previous Government's policies."

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CSO: 4200/702

NEW ZEALAND

OPPOSITION LEADER PLEDGES TO REVERSE STATE EXPANSION

Auckland THE NEW ZEALAND HERALD in English 29 Jan 86 p 5

[Text] The Leader of the Opposition, Mr McLay, pledged last night to reverse what he called "a massive increase in the size of the Government" under Labour Party rule.

In the last of a series of "state of the nation" speeches by political leaders this month, Mr McLay told the Mt Albert Rotary Club that the growth of the public sector was one of three major problems which needed to be addressed.

The others, he said, were:

- The national award wage-fixing system.
- The rapid decline of New Zealand agriculture.

**'Masquerade'**

Mr McLay said one of the greatest myths about the Labour Government was its claim to be creating a "competitive" economy.

"It is masquerading as a Government that supports an open and competitive economy when, in reality, state activity is expanding at an unprecedented rate," he said.

"It is not just reflected in the doubling of the number of means and income-tested social welfare beneficiaries but also in the expanded role of Government agencies and corporations."

He said the Development Finance Corporation and the Government Life Office were both now competing directly with private financial institutions.

The new Forestry Corporation would force all other timber companies to buy from their main competitor.

**Borrowing**

Mr McLay said the Labour Government had already created three new departments and was in the process of creating others.

It had hired an extra 3500 public servants.

All of this would be paid for by the goods and services tax and by increased borrowing.

"The National Party's position on the question of competitive activity by Government agencies is very clear," Mr McLay said. "Not only do we oppose the expansion of these Government activities, but we have also pledged to examine opportunities to give ordinary New Zealanders the chance to invest in Government corporations."

"Quite simply, the Government should not be involved in activities that can legitimately be undertaken by private enterprise — whether it be forestry, finance or conveyancing."

Mr McLay said the present national award system



for setting wages imposed uniform rates on many companies that could not afford to pay, leading to redundancies and unemployment.

"We will reform those wage-bargaining procedures to provide for more flexible bargaining, especially through enterprise or industry awards," he said.

#### Farmers

National would also abolish compulsory unionism. But it would keep the present legal minimum wage system.

On agriculture, Mr McLay said that in its eagerness to remove protection from farmers, the Labour Government had completely disregarded the impact of its moves on farming families and rural communities.

National's agriculture policy, by contrast, was designed to provide "positive encouragement" for farmers, including incentives to adopt new technology.

On other issues, he promised again to appoint 451 extra police officers if elected.

National would restore New Zealand to full and active membership of Anzus.

#### Performance

Mr McLay criticised the new Family Care benefits for families earning full-time wages. National's priority would be to reduce living costs such as interest rates so that such families did not need state aid.

"This year, 1986, the Labour Government will learn that you cannot survive on political rhetoric alone, that finally, when it comes to the crunch, the public wants performance," Mr McLay said.

"Farmers, business people, families — all have been hurt, and now they want to see some results."

"The Prime Minister himself has effectively said in his state-of-the-nation speech that those results will be a long time coming — if they come at all."

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NEW ZEALAND

SECRET LIVESTOCK TAX PLAN LEAKED

Auckland THE NEW ZEALAND HERALD in English 31 Jan 86 p 3

[Text] Leaked details of the proposed livestock taxation scheme, which show that it could impose an effective "assets tax" on farmers, have been released by the Opposition.

The details, contained in secret Inland Revenue Department notes, were published in a 14-page statement last night by the MP for Selwyn, Ruth Richardson, who is a deer-farmer and a former legal adviser to Federated Farmers.

The notes show that the offspring of animals will be taxed as "income" at standard values in the year when they are born — well before farmers actually receive any cash income from them.

In effect, farmers will pay a tax on the value of their newly born assets.

Ruth Richardson said that would discourage farmers from building up their herds of deer, goats or other livestock, and could drive some of them out of farming.

In one example cited at a Deerfarmers' Association meeting in Queenstown this week, a farmer who builds up a herd from 90 to 140 hinds within two years will pay \$52,000 in tax in the second year, when actual profit is only \$48,000.

"They would be technically bankrupt on the basis of two years' trading," Ruth Richardson said.

The Minister of Finance, Mr Douglas, has personally been a long-standing advocate of an assets tax for farmers, on the ground that it would force them to earn the maximum income possible in order to pay the tax.

But in this case, the main reason for the change, outlined in the mini-budget in December, was to remove the present system of artificial livestock values.

These allow, say, a farmer who buys stock for \$15 a head to immediately write its value down to \$6, making a paper loss of \$9 to offset against income for tax purposes.

### Limited

Under the new scheme, this write-down will be limited to the difference between the purchase price and new standard values which will be set at 70 per cent of average market values.

However, what has not previously been revealed is that the scheme will also introduce a new tax on livestock offspring before they are sold.

The reason is that under the new "trading stock" scheme, livestock will be treated the same as a re-

tailer's stocks.

A retailer is taxed at present not only on the profit margin on the goods sold during a year, but also on the increase in the value of stocks between the beginning and the end of the year.

Applying the same principle to farmers, the increase in the value of stock from one year to the next must include the value of any offspring born and not sold during the year.

In practice, farmers will have to "write up" the value of such offspring immediately to the standard value for that animal, and pay tax at normal tax rates on that write-up.

Nor can farmers escape this tax by choosing an alternative "herd basis" scheme, under which livestock will be treated as a capital asset which is not tax-deductible when it is bought and not taxable when it is sold.

The Inland Revenue notes show that all immature breeding stock will be taxed under the "trading stock" scheme, on the assumption that most will be sold.

If they are actually retained by the farmer to build up a herd, they will be taxed at the standard value as the equivalent of a sale from trading stock to the herd stock.

## Fallacy

Ruth Richardson commented that the new scheme was based on the "fallacy" that farmers could actually afford to pay tax merely because they owned livestock.

"In fact, the capacity to pay tax is not created until the livestock is traded and income actually generated," she said.

She said it was also a fallacy to regard the present system of artificial livestock values as a "tax dodge."

"The [present] standard value system is no more or no less than a deferral of income," she said.

The farmer writing down the value of \$15 stock to \$6 would gain a tax benefit from a \$9 paper loss while getting established in farming. When the stock was sold later for, say \$20, tax would be assessed at the full difference between \$20 and \$6 — when the farmer could afford to pay it.

Ruth Richardson also said that if prices fell in the meantime, farmers could be over-taxed.

If, for example, the standard value of deer was \$1000 and a deerfarmer was required to pay tax on that for a new fawn, but the price eventually received for the grown deer a few years later was, says, \$500, then the farmer would have paid too much tax.

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NEW ZEALAND

GOVERNMENT TEMPORARILY UNDERWRITES LAMB EXPORTS

Auckland THE NEW ZEALAND HERALD in English 28 Jan 86 p 5

[Text]

The Government is underwriting meat company purchases of farmers' lambs to enable the exporters to pay higher prices than the animals would fetch if sent to the boiler.

But the guarantee lasts only until March 31.

It is designed to tide the meat industry over the period before exporters receive final word on negotiations with Iran on a new lamb deal.

New Zealand has become increasingly dependent on the sensitive Iranian market, which buys about a third of this country's lambs each year.

The Government agreed nearly a fortnight ago to guarantee company purchases of stock after the exporters argued, through the Meat Industry Association, that they would not otherwise be able to offer farmers a price schedule above the rendering-down value of lambs.

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NEW ZEALAND

EDITORIAL ON HOPE FOR NEW GATT DISCUSSIONS

Auckland THE NEW ZEALAND HERALD in English 31 Jan 86 p 6

[Editorial: Getting a Grip on Gatt"]

[Text] Much hope this year for sustaining international economic recovery lies on securing a new round of tariff-cutting and allied free-trade measures within the Geneva-based General Agreement on Tariffs and Trade organisation. Yet it is still too soon to be altogether confident about such expectations.

Agricultural exporters and smaller nations have long placed considerable faith in Gatt. More often than not, they have been disappointed. Successive multilateral bargaining rounds, from the Kennedy-Dillon Round of the early 1960s to the Tokyo Round of the late 1970s, have powerfully spurred the ninefold growth experienced in world trade during the post-war era. But the benefits have largely gone to trade in manufactures.

Raw commodity producers have found difficulties over access to markets compounded by quite recent plunges in prices. Commodity price falls, not only in foods and fibres but also in metals and fuels, have sharpened arguments over protectionism.

Even the United States (still the world's greatest agricultural exporter) has been showing impatience over deficiencies and inadequacies within Gatt. Indeed, the chief American trade negotiator, Mr Yeutter, recently declared that if the projected new global round of talks failed, Gatt itself could collapse.

Earlier American withdrawal of support for other international bodies, such as the United Nations education and (temporarily) labour agencies, suggests that such statements should not be dismissed as mere preliminary position-taking.

The last full ministerial meeting of Gatt proved rather a fiasco, agreeing on little. Since then, major powers have been inching towards a major

new negotiating round, with the United States leading the quest for support. Preparatory meetings have begun; but even an agenda will not be agreed upon before September. Experience suggests that negotiations proper, even if started before 1987, could take years.

Prospects that the American exchange rate will continue to decline -- and may even yet suffer a so-called crash landing, inducing wider recession -- lend urgency to the too-sluggish approach to a new round. Liberalising trade in all fields, from agriculture to high-technology goods and including services such as banking, insurance and telecommunications, may sound ambitious. But it is a worthy way to reaffirm collective commitments to rules of free and fair trade.

New Zealand has done much lately to clear its credentials by dismantling protectionism and encouraging the freer play of trade within and across its borders. It would be more chagrined than most if Gatt failed to rise to the occasion.

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NEW ZEALAND

OPPOSITION LEADER OPPOSES TRADE SANCTIONS

Auckland THE NEW ZEALAND HERALD in English 21 Jan 86 p 5

[Text] The Leader of the Opposition, Mr McLay, yesterday urged the Government not to impose trade or economic sanctions against Libya.

The cabinet is expected to decide today what action, if any, the Government will take in response to a request by President Reagan for New Zealand to give some support to measures already taken by the United States.

The Prime Minister, Mr Lange, said President Reagan had written to him recently "expressing the hope that New Zealand would join in a broad-based international response to Libya's support of international terrorism."

But Mr McLay said yesterday that the National Party believed trade and economic sanctions did more damage to New Zealand than the country they were directed at.

"Furthermore, there is little evidence that they have any practical effect."

Mr McLay said the party, while it would be obliged to honour mandatory sanctions initiated by the United Nations, had generally declined to go along with calls by individual countries for

such embargoes.

One example was the refusal by the National Government in 1980 to agree to sanctions against the Soviet Union, following the invasion of Afghanistan.

However, Mr McLay said there was strong evidence of Libyan involvement in international terrorism and he called on the Government to be more vocal in its condemnation.

"Apart from the Rainbow Warrior affair, Mr Lange has said little on the subject and, in particular, he was not prepared to go along with strong Australian comments on the Achille Lauro hijacking," he said.

Mr McLay said all law-abiding countries should combine to make clear the consequences of terrorism.

These should include a clear commitment to extradite terrorists for trial, a refusal to give in to terrorist demands and a commitment to use force, if necessary, to free hostages.

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NEW ZEALAND

LABOR DEPARTMENT FORESEES EMIGRATION REVERSAL

Auckland THE NEW ZEALAND HERALD in English 23 Jan 86 p 1

[Text] The exodus of New Zealanders to Australia during the past year will be reversed in the next two years, according to Labour Department forecasts.

The forecast, prepared just before Christmas, shows that there was a net loss overseas of 5500 members of the labour force in the 1984-85 financial year.

But this is forecast to turn into a net inflow of 1000 workers in the present financial year up to March 31, and a further inflow of 3000 workers in 1986-87.

A senior advisory officer for the department, Mr Bill Hunter, said that a major factor in the reversal was the high wage round in New Zealand late last year.

"Our real wages have gone ahead faster than Australia's, although of course in absolute terms they still get a lot more than we do," he said.

**Kiwi Dollar**

A second factor was the fall in the Australian dollar and the high value of the kiwi dollar, boosting the value of New Zealand wages in international terms.

The forecast was prepared before the kiwi dollar dropped back in December. But even after its fall, the New Zealand dollar is still 28 per cent stronger against its Australian counterpart this week than it was a year ago.

However, the turnaround is not all good news for New Zealand.

It will come at a time when economic growth is expected to pause, and the

department is expecting the number of jobs in the country to drop by 8000 in the 1986-87 financial year.

At the same time, there will be 20,000 extra people looking for jobs because of the natural growth of the population.

**Unemployment**

Consequently, the department forecasts that unemployment will increase by just over 18,000, with registered unemployment rising by 15,000 to almost 70,000, and unregistered unemployment rising by 3200 to 15,300.

A further 12,700 people are forecast to be so discouraged by the tight job situation that they will give up looking for work altogether.

These changes are forecast to raise the unemployment rate from 4.4 per cent of the labour force last year to 4.7 per cent by March this year and 6 per cent in 1986-87 — as bad as in the last recession in 1983-84.

However, the same slight fall in the Kiwi dollar in December which could moderate the turnaround in migration could also make the prospects for unemployment not quite so black.

Mr Hunter said the depreciation should help exporters to hold on to at least some of the staff they had planned to lay off, while boosting import-substitute industries.



NEW ZEALAND

RESERVE BANK OFFICIAL CLAIMS DEC 85 SIGNALS MISREAD

Auckland THE NEW ZEALAND HERALD in English 27 Jan 86 p 5

[Text] The Reserve Bank believes interest rates should never have dropped as far as they did in the Rakiura tender for Government stock last month.

The chief manager of the economic department of the bank, Mr Grant Spencer, said the money market "got a bit carried away" in its excitement about low food-price statistics and signs of a recession.

"There was probably an over-reaction in the market in terms of the rates falling in response to the weaker economy and lower inflation figures," he said.

"So in the sense that rates have come back [upwards] considerably since, the movement does support the idea that there was an overshooting in the downward direction of interest rates."

### **Justified**

The Reserve Bank rejects claims that it has been incompetent in pushing rates too high by pointing to other factors which justify high rates.

These are not hard to find. They include:

- The default by Rakiura Holdings on \$100 million of Government stock, which will now have to be auctioned again next week when there is less spare money to fund it.

- The Government's decision to write off on or about March 14 the increased debt of about \$350

million which the Meat Board ran up in subsidies to farmers last year. This would give the trading banks that much extra cash, unless it was taken out of the system again by a further stock tender next month.

- Fears about finding the cash to make final tax payments for the 1984-85 financial year this March.

- Fears that the high wage round late last year will drag up inflation and Government overspending.

All these factors mean there will be a higher-than-expected demand for cash in the next two months, from both the Government and the private sector, when the Government's policy is to keep the money supply unchanged.

Higher demand and static supply can mean only one thing — a higher price, or interest rate.

### **Misperception**

Yet interest rates fell before Christmas. Mr Spencer believes this may have been partly because the market "misread the signals" and thought that what was only a "technical adjustment" on December 3 was actually an easing of monetary policy.

In the same way, the rise in interest rates this month may have been partly because dealers thought they saw a tighter policy.

"There was a perception of tightening, but it does not make sense for us to validate a misperception of policy," Mr Spence said.

"If there has been a misperception that policy was easier and is now corrected, that does not mean that we should move to an easier stance."

In fact, he said, on a day-to-day management basis, the Reserve Bank had been aiming all along at a long-term average of trading bank cash balances of around \$50 million.

Monetary management was not a precise science, however, and fluctuations of plus or minus \$50 million or so had to be expected around that target.

In practice, it so happened that these fluctuations tended to be on the positive side before Christmas. This month, they had been negative as often as they had been positive.

### **'No Tightening'**

"In that sense, lower average cash levels have not represented a tightening of policy, just a shift to errors [from the \$50 million target] on both sides," he said.

"There has been no tightening of policy."

As far as longer-term policy was concerned, the aim of "fully funding the deficit" had also remained constant all along.

This means that any excess the Government spends over and above what it takes in taxes will be taken out of the internal market through borrowing.

In effect, it means that Government overspending will not be allowed to increase the money supply.

### **Velocity**

Since the floating dollar means that anyone wanting to bring money into New Zealand must find someone wanting to spend an equal

amount overseas, foreign exchange transactions also are not being allowed to change the money supply.

There is, however, another factor which the Government cannot control. This is the "velocity of circulation" of money, or the speed with which it is lent out again as soon as it is deposited in a bank or institution.

The deregulation of financial markets in the first 18 months after the July 1984 election, when business and the economy were expanding, accelerated the circulation of money so much that the broadly defined money supply "M3" continued to rise rapidly despite the policy of fully funding the deficit.

Conversely, the release of figures on the weekend of January 18 which showed that seasonally adjusted trading bank lending fell by 0.7 per cent last month triggered money market fears that the slowdown in the economy was also slowing the turnaround of money.

The National Party's call last week for a "more moderate" monetary policy implies that a National Government might respond to such a slower velocity of circulation by loosening its more direct control of the money supply.

It could do that either by allowing a net inflow of money from overseas, perhaps by borrowing overseas itself, or by not borrowing internally all that it needs to cover the excess of Government spending.

### **Not Sacred**

Mr Spence agreed that the policy of borrowing everything required to cover the excess internally could change in different circumstances.

"There is no sanctity about it," he said.

But he said there was still something to be said for consistency in policy.

"There is no way we can exactly fully fund the deficit over this financial

year anyway. There is a lot of margin for error in the tax flow [forecast for March]," he said.

"But in terms of our intentions, the confidence in the policy and the credibility of the policy require that we stick to it."

The intention was to hold fast to a fixed "quantity" of money, while allowing the "price" of money — the interest rate — to fluctuate.

But it was not true to say that the bank paid no regard to interest rates.

If interest rates rose because of an increased demand for cash (a reduced willingness to lend out money, perhaps because of fears of a recession), "then you could allow liquidity to build up for a period, and then go back to fully funding."

"But if, for example, an increase in interest rates resulted from an increase in expectations of inflation, then obviously you would be worsening the situation to ease up," Mr Spencer said.

"That judgment about the source of interest rate pressure is the difficult thing.

"We are certainly having

to make those judgments. But because of those difficulties in interpreting what interest rates really mean, we use optimally based control procedures."

Mr Spencer said bank officials had regular meetings with a wide range of financial institutions, and were "constantly talking to the market to try to get a feel of what is going on."

### **Two Mistakes**

But he did concede two mistakes.

First, he said, the statement on December 3 announcing new technical procedures "could have been worded more effectively to avoid this obvious misperception that occurred."

And secondly, he said the formula of setting the interest rate for bankers' cash at the Reserve Bank at 65 per cent of market rates was "not sufficiently high to encourage the banks to hold much more cash than they had previously."

"It is a possibility that we could adjust that ratio at some time," he said.

"That is something the minister has to decide."

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PHILIPPINES

NEGROS BISHOP, NPA LEADER, PEASANTS VIEW PROBLEMS

Melbourne THE AGE in English 31 Jan 86 p 11

[Article by Cameron Forbes: "Hunger Under the Volcano"]

[Text]

**U**NDER THE volcano, the workers of Santo Rosario hacienda tend crops on borrowed land, preparing desperately against the full onset of "the hunger". Canla-on has its peak hidden in the clouds this morning, but a spume of smoke and steam will be pushing through the mist. Hidden on Canla-on's jungle-clad flanks will be guerillas of the New People's Army and, probably, one of their leaders, Silvano Gallardo.

Over the centuries, Canla-on and other volcanoes have coated the lowlands of the Philippines island of Negros with rich black soil. Early Chinese traders brought sugar cane to the island and from the black soil sprouted riches and political power for the sugar barons who controlled the industry.

For the planters there was the sweet life in hacienda mansions, some sprawling, some soaring in improbable castle shapes.

For the peasants displaced from their lands, there was at best feudal paternalism, with their baptisms and — after a short, hard, life — their funerals provided; at worst there was bitter oppression and hardship in virtual slavery.

But now thousands of hectares lie idle. The sugar empire has collapsed, and while there is still wealth for some, the black soil produces much hardship. "The hunger," as the people of Negros call the syndrome that progresses from want to malnutrition to death, flourishes in the off-season, after the diminished crops of cane have been harvested and milled.

And the New People's Army flourishes too, becomes bold, harvests some hearts and some minds.

Churchworkers come to the province of Negros Occidental, weep, feel impotent and

write poems of fear and killing which are distributed by the National Federation of Sugar Workers:

*The soldiers demanded, santol, langka, all the eggs,*

*They took a short break in the feasting to murder him.*

*They tore open his empty stomach lying among the sugar cane that he couldn't touch in life.*

*They tore up the bananas and casavas planted perilously by mothers of empty children in the eyelash of land between the fence and the river.*

*Her eyes were not empty. There were tears enough to fill the river, to bloat the empty stomachs of the children.*

President Marcos comes to scatter promises of millions and millions of pesos in aid on the heads of an election rally crowd; his wife Imelda sings songs and throws her watch into their hands.

But the promises fall on the stony ground of cynicism. The people have heard so many promises before, and, anyway, pesos alone will not be enough to solve the social problems of Negros.

For the workers of Santo Rosario hacienda, tending their corn, sweet potatoes, radishes and tapioca, the election means nothing. The promises of the President and the hope held out by his challenger, Cory Aquino, are equally empty.

They will boycott the polls on 7 February.

Their leaders, Bobby Tomolin and Rudolfo Villaneuva say: "It is just a drama, a play for us. All elections are. Politicians and promises are nothing for us."

"Cory Aquino and the Opposition cannot

help. They cannot help because they come from the highest people. They have guns and goons and riches too. They do not come from the workers."

For three or four generations they have lived on and worked the 170 hectares under the volcano. They are among the lucky ones, for the land is owned by a member of the Hillardo family, Roberto. The patriarch of the family was a man who was close to his workers and became an independently-minded judge of the Supreme Court. His sons and nephews are tough, nuggetty men.

Roberto is a member of Bayan, a left-of-centre political movement; Roberto's cousin, Serge, was a founder in 1984 of IMPACT — Integrated Miller and Planter Action.

"With the collapse of the industry, we could see the hunger coming. We began the land-use scheme. Because they can't get loans, many planters can't plant all their land. There is decreasing money for the workers, so we lend them land, perhaps 10 per cent of it.

"We have an agreement with the National Federation of Sugar Workers that when sugar rises again and we can use the land and there is work, we will get the land back.

"The thrust of this land-use is the development of the worker as a person — to have pride in themselves."

Which is just what most hacienda owners fear. They fiercely oppose the scheme, particularly the few who own 80 per cent of the land.

I asked the people at Santo Rosario how they would feel when the day came to hand the land back: "Very sad. We are having a dialogue with the owners. We want to keep it, not just a short time, but for a long time."

Serge Hillardo himself thinks that eventually some of the loaned land will be used by the workers for as long as they remain on the haciendas.

Certainly, even in the best of times on the best of haciendas, the workers need something to supplement their existence. For a day's work, cutting and loading one to one-and-a-half tons of cane, a man or woman can earn 16 to 18 pesos. There are about 14 pesos to the Australian dollar. A dancer in one of Manila's tacky bars can earn 70 pesos a night, plus the commission on drinks and whatever other services she supplies.

A 2.5-kilo pack of rice costs 16 pesos, and a family with four small children will eat about one pack a day.

For many there is no work now and no money. For all, there will be no work during the four months of the off-season, which begins in April.

Even with a sympathetic owner and seeds provided by the National Federation of Sugar Workers, the people of Santo Rosario cannot prevent malnourishment among their 75 small children.

On other haciendas and among the unemployed in the towns, children die.

In Bacolod, every morning at 11 o'clock, 200 children who are close to death from malnutrition are fed at the Catholic cathedral. Each week, food is provided for another 40,000 stricken children.

"We are only scratching the surface," Bishop Antonio Fortich says.

For 17 years he has been Bishop of Bacolod, speaking out against political corruption and military abuses, earning the enmity of the powerful. Last year his residence was burned down by what he calls "unseen hands".

He says: "In this election, the issue is change, because the present government has lost credibility. This may be the last election we are going to have, especially if it is a rigged election.

"There may not be violence so much by the use of guns, but soldiers will be used to frighten voters in the distant towns. If there is changing of votes, it will be there. Last time in one town of 3000 people, officials said they had counted 9000 votes.

"But the people are afraid of the post-troubles and the people say that if Mrs Aquino wins, President Marcos will not step down."

Bishop Fortich says that the insurgents are watching to see if there is confusion: "They are watching to see and they will come in and join the disappointed groups. There will be bloodshed."

Among those watching from the mountains and jungles will be Silvino Gallardo, the second-ranking member of the NPA organisation in Negros Occidental. And watching in the provincial capital, Bacolod will be his brother Leonardo.

Leonardo, 37, is a successful businessman. The walls of his office in the Negros Navigation Company are hung with citations for leadership and motivational messages; for 13 years Silvino, who is two years younger, has been in the hills. "It is a tragedy," Leonardo says. "He has given the NPA a unique kind of leadership from the upper-middle class."

According to Leonardo, Silvino took to the hills in 1972, when martial law was declared, because of maltreatment by the military. "He was in his last year of university, studying agriculture. He was beaten by the soldiers for no reason. They bruised his mind more than his body. He wasn't NPA then. The ideology came much later."

But admiration for his brother shows through: "He has held on steadfastly to his cause while the others who had gone to the hills with him in 1972, have either died, surrendered or have been caught by the military."

They keep in touch, Leonardo says with a smile, on "a don't call me, I'll call you basis". In 1984, Leonardo went up into the mountains to see his brother. He spent the first night in a camp near the lowlands. "There were about 16 young men, neatly dressed in clean-looking T-shirts tucked into denim jeans. They were well-armed with AK-47s, M-16s and M-203 grenade

launching armalites."

Deeper and higher in the mountains, the brothers met. In the second camp there were about 20 people, including four girls "who all looked like students except they each had a 45-calibre pistol tucked into their belts."

There are conflicting reports of just how militarily effective the NPA is. Estimates of its strength throughout the Philippines go as high as 16,000 — from a rag-tag handful of about 35 in 1969.

The Government puts total deaths for 1985 at 1242 army, 2071 guerillas and 1195 civilians. It claims that the military is now initiating most of the engagements and that cadres and guerillas exert influence on only six per cent of the nation's 42,000 barangays.

However, Leonardo Gallardo says the growth of the NPA in Negros has been phenomenal in the past five years because of military abuses and the lack of government service and help.

They clearly have made their presence felt. Twenty minutes drive from Bacolod on the way to Santo Rosario is the town of Murcia where an NPA Sparrow (assassination) squad shot down the police chief in 1984.

The NPA also raided the Maritime School on the outskirts of Bacolod itself cleaning out the armory. An Australian defence expert has described the "sheer professionalism" of the raid as exemplary and another on the town of Isabela as even more skilled and daring.

There, taking on the elite Scout Rangers, they attacked on a Sunday, shooting a lookout on a high tower. Armed men emerged from three large trucks and were joined by guerillas who had infiltrated earlier.

Roads into the town were sealed and in minutes 11 Scout Rangers and six villagers caught in the cross-fire were killed. The

armory was emptied and four NPA men released from jail.

The people of Santo Rosario hacienda say they have no dealings with the NPA, but point to the volcano and the mountains, saying they are there. They say also they understand that the NPA only hurts those who hurt the people.

This is an attitude that the Government is desperately trying to change. Among the torrent of television advertising is footage showing President Marcos surrounded by children, interspersed with shots of communist chaos.

In Negros, video units tour villages showing the film "The Killing Fields", with the horror of Cambodia, and the government press office hands out copies of a 'Commentary' article on the NPA headed "The New Khmer Rouge".

But, sitting in his office in Bacolod, Bishop Fortich says, laughing: "The authorities call me communist. But this is a very good kind of communist still believing in God."

"We wanted dialogue with President Marcos, but he stopped it. During martial law, it was only the church that spoke out."

"Now we respect the opinions of the NPA. Not all of them are communists. Some of them are nationalists first. Maybe the hard-core are really communists, but others couldn't get legitimate reform on the lowlands and went to the hills. Some of them were tortured by the military and they went to the hills."

The real issue is that justice has been denied to the common people, Bishop Fortich says.

As they tend their borrowed land under Canla-on, the common people of the Santo Rosario hacienda are convinced that next week's presidential election will not bring them justice, whatever the outcome.

The whole of Negros — indeed, the whole of the Philippines — is a social volcano.

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CSO: 4200/705

PHILIPPINES

AUSTRALIAN WEEKLY ON 'MIXED' AFP LOYALTY TO MARCOS

Broadway THE NATIONAL TIMES in English 31 Jan-6 Feb 86 p 25

[Article by Gwen Robinson: "Fraud Puts Marcos Offside with Army"]

[Text] Last week a special writer for THE NATIONAL TIMES, Dr Alfred McCoy, revealed US Army archives which showed that President Marcos's claims to be a war hero are fraudulent. The McCoy revelations have focused worldwide attention on next month's Philippines election. This week we report the reaction from Washington and Manila.

**"D**ISILLUSIONED? Betrayed? You could say many of us feel that way," says the young military officer, sitting with a group of his colleagues around a table in the comfortable beer hall they frequent in Manila.

Comprising a cross-section of the Armed Forces of the Philippines (AFP), the officers are members of an 11-month-old reform movement within the AFP.

In question tonight is the exposé of the fraudulent World War II record of President Ferdinand Marcos, published last week in The National Times and the New York Times.

Despite a week of denials and elaborate war-time accounts from Marcos's associates, some of the reformist officers echo a growing feeling that the charges against Marcos could have serious implications for the regime's one-time absolute control over the 130,000-strong military.

Whether the reports will affect Marcos's performance in the February 7 presidential elections is not the current talking point in Manila. With widespread reports of vote-buying already taking place in the provinces, the reports would probably have little effect on the voting patterns of the pro-Marcos camp, say local analysts.

The real issue, they say, is how the reports could affect Marcos's position if he wins the election through massive cheating, or, in another possible scenario, refuses to relinquish power.

In both cases, the military would prove the critical element.



"If Marcos wins, he will need extra authority — the matter of his control over the military is crucial, and that control rests largely on his credibility," observed a local academic last week.

"Just imagine their hero, their Commander-in-Chief, the object of popular comic books, being revealed as a fraud," said a prominent human rights lawyer. "It could undermine his moral authority to ask the AFP to do anything major."

Within the AFP, reaction is mixed.

"We were raised on tales of the President's war exploits," pointed out one naval officer. "Although in many cases there were doubts about the truth, this story has confirmed those doubts like nothing else ever has."

But most of the officers, said a reformist spokesman, would still most likely follow Marcos — at the outset. "Even though we know he now has feet of clay, the obedience is still there in most of the officers — but we can't speak for the rank and file soldiers. And the ultimate factor will be the people's reaction. If there is an unmistakable sign that they have been pushed and cheated too far, who knows..." he trailed off, leaving unanswered the questions about the military's post-election reaction.

Growing reports of dissension within the military are fuelling speculation in Manila about where the various factions would stand in the event of a possible emergency.

**T**HE REFORMIST movement is small, numbering only an estimated 700 or so officers. Since it was launched in a publicity blitz last year, the movement's members have remained faceless and, for the most part, quiet. The reformists have always maintained that their aim is to work for badly needed reform within the military, using a strictly peaceful approach.

Now, in their most ambitious operation ever, the group is mounting a nationwide information drive for clean elections.

In their spare time, reformists have been meeting with other sectors of the military, printing and distributing leaflets, and organising "prayer rallies" for soldiers to gather together and pray for clean elections. Their efforts are receiving attention and support from other sectors, including the Church and citizen bodies.

While this highly visible display of fresh-faced good intentions is generally well received, other sectors of the armed forces are taking a more cynical view.

Initially deriding the reformists as a harmless bunch of do-gooders, military factions loyal to Marcos associates such as AFP Chief, General Fabian Ver, are now visibly concerned at the organisational power of the reformists.

Ver is known to have met with the group last week, to request they cancel their election drive. He reportedly backed down when it was argued the operation was now so public that a forced cancellation would further damage the AFP's image.

The continuing election drive of the reformists could then, conceded one military officer, be seen as a test of their own strength — a mobilisation exercise in disguise.

"More to the point, we are being regarded increasingly as a threat to certain elements in the military, although we have stressed a coup is not in our consideration. The fact is though, we are soldiers, which in the end means we can arm ourselves and move as an organised group more readily than any civilian body," said one officer.

The growing attention being paid to the reformists is just one signal that the palace could be losing its grip on the AFP. Other more serious signals stem from persistent rumours and reports of other, less visible factions, organising within the armed forces.

Evidence that concern over the possibility of a military takeover attempt have increased within the palace became clear recently, when a new crack "counter to" force was established under the leadership of army chief, Major-General Joseph Ramas, who has so far reportedly trained 600 men for his force.

On top of continuing doubts over the military's absolute loyalty to the Marcos Government came last week's shock revelations.

Marcos's war record is known to be one of his most sensitive spots. Last week, according to palace sources, he was furious and cancelled public appearances for three days running, although in issued statements he described the reports as "almost laughable".

Within media circles and activist groups are growing fears of a backlash that would feature a severe crack-down and mass arrests.

**A**DDING to the damage have come follow-up expose's, first by the Washington Post and then by the local Philippine Inquirer. Both newspapers added new information to the original article by Sydney-based American academic, Alfred McCoy. Both reports raised further doubts about Marcos's war exploits and his relationship with the Japanese.

Government officials and ministers interviewed this week, including Defence Minister Juan Ponce Enrile and presidential media adviser, Bert Lumuag, said the article had no impact and was the work of the US Government and the communists respectively.

Enrile said he is confident the military retains a healthy scepticism to "who the US does and does not recognise as heroic World War II guerillas. They all know that the US has recognised all sorts of fake guerillas. There are many truly brave fighters that receive no recognition."

But in the inner circles of the KBL, Marcos's ruling party, there is growing panic. The war hero reports, said one source, could not have come at a more critical time.

In the lively alternative press, there have been recent reports of a drastic deterioration in Marcos's health. From the US, new and damaging information is



coming in every day from US Congressional investigations into the "hidden wealth" of the Marcos family (see panel).

And for the past few weeks, confidential poll surveys, carried out by a special presidential research centre, have shown the KBL is lagging badly behind Opposition candidate Cory Aquino's party, UNIDO. The last of these polls is believed to indicate a 65-35 lead for Aquino.

This week, there are plans in the Aquino camp to reprint the Marcos war story and distribute the leaflets in heavily militarised areas.

While the President continued to casually dismiss the war record reports during an ambitious campaign sortie to the southern Philippines last week, moves in Manila suggest the scene is being tightened up considerably.

The clearest indicators include the suspension of all university classes for a 10-day period up to and including the election.

**T**HE REASON, according to the Government is to enable students to return to their home provinces to vote. But the students, said a Manila lawyer, are always the most active and militant participants in street demonstrations, the most popular form of protest in the Philippines.

"Overnight, the ranks of the boycott and anti-Marcos rallies have been dramatically and miraculously depleted," he said.

More worrying moves, according to human rights groups, are the directives to disarm all civilians and the placing of police and military forces under "red alert".

The "red alert" was accompanied by statements that the military had received intelligence reports indicating the presence of the guerilla New Peoples Army in Manila.

The atmosphere is tensing up. Several diplomatic missions in Manila have placed all their staff in hotels for election week.

Adding to the fear of violence throughout the Philippines is genuine concern that the military will be used to intimidate and cheat on election day.

Such concern was recently reinforced by US statements on the issue.

Last week, US Assistant Secretary of State, Paul Wolfowitz, described the commitment of the military leadership in keeping the military neutral as "critical in determining the credibility of the election".

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THAILAND

DAILY COMMENTS ON SONTHI'S VIEW ABOUT U.S. BASES

BK151022 Bangkok MATICHON in Thai 15 Feb 86 p 6

[Editorial: "Moving Military Bases From the Philippines to Thailand"]

[Text] There has been renewed concern over the possible relocation of U.S. bases in the Philippines to Thailand. Admiral Sonthi Bunyachai, deputy prime minister from the Prachakon Thai Party, voiced his concern and said the issue would have to be examined carefully by the whole nation. Deputy Defense Minister Air Chief Marshal Phaniang Kantarat meanwhile rejected the proposal categorically. What has made the question of U.S. bases resurface again in the news media?

Adm Sonthi Bunyachai was not the first to make his view known. Prior to that, Henry Kissinger sounded out the matter during his visit to Thailand, citing the situation in Indochina, especially in Cambodia, as an important factor. His comments met with opposition as well as a negative reaction from the government.

When Adm Sonthi Bunyachai brought up the matter once again, there were two more factors in addition to the situation in Cambodia. First is the political crisis in the Philippines following the general election, and this could lead to chaos and a violent change threatening the presence of U.S. bases there. Second is the enactment of what we know as the Farm Act by the U.S. Congress which will have a great impact on our Thai farmers.

The concern felt by the deputy prime minister of the Prachakon Thai Party comes from fears that while negotiating with the United States for relaxation over the Farm Act, Thailand may get what it wants subject to conditions imposed by the U.S. Government--that Thailand will have to accept U.S. military bases to be relocated from the Philippines.

Although this kind of a bargaining rather seems strange--an exchange of a relaxation of the Farm Act with an agreement to allow U.S. bases there, and although it is impossible for the U.S. and the Thai Governments to escape from condemnation if they ever should reach a compromise on the matter, one cannot overlook the matter entirely as the views belong to the deputy prime minister who was formerly the deputy commander in chief of the Thai navy.

The question then is: why did the Thai deputy prime minister express his concern over a matter which sounds rather unthinkable?

There are two answers for this: first, he does not want to see negotiations for an incongruous and unequal exchange, and second, he wants to sound out the reaction of the Thai people to such an important question, just as Kissinger did. As Thai who love their country, we pray that the reason the deputy prime minister is airing his view is the first.

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CSO: 4207/172

THAILAND

SUPREME COMMAND REPORTS ON CAMBODIAN BORDER

BK160950 Bangkok Domestic Service in Thai 0530 GMT 16 Feb 86

[Text] The Supreme Command Headquarters' Information Office reported on the situation along the Thai-Cambodian border during the past week. It said that Vietnam sent its forces and various kinds of weapons to (Preah Ang) village opposite Kap Choen District of Surin Province, and deployed troops at an area opposite Chong Bok, Nam Yun District of Ubon Ratchathani Province, and at (Trapeng Koul) village, Choam Khsan District of Preah Vihear Province.

Reporting on the situation at the border opposite Prachin Buri Province, it said that the Vietnamese 753th Infantry Regiment, which has recruited Cambodians to build barbed wire fences and plant land mines along the Thai-Cambodian border opposite Phanom Chat mountain, Ta Phraya District of Prachin Buri, had built a 10 km barbed wire fence. It is believed that the barbed wire fence is meant to prevent the Cambodian people and military deserters from the Vietnamese and Heng Samyin forces from fleeing the country.

Regarding the situation in the area opposite Pong Namron District of Chanthaburi Province, Vietnam sent its personnel and a number of weapons from Phnom Penh to reinforce the 59th Infantry Division based in Pailin District of Battambang Province.

Regarding security along the Thai-Cambodian border, the Supreme Command reported that artillery shells frequently landed inside Thai territory in Ban Lem, and Ban O Lam Chiak of Pong Namron District in Chanthaburi Province, killing and wounding a number of Thai authorities and civilians.

Reporting on the situation in Nam Yun District of Ubon Ratchathani Province, it said that Thai authorities sent forces to observe areas where Vietnam had sent infiltration and engineering troops to plant many land mines. We suffered a number of losses after stepping on the land mines.

Regarding the number of refugees and illegal immigrants from Indochina, 14,543 were held at Khao I-Dang center, 112,886 illegal immigrants were under the responsibility of the Interior Ministry, 351 illegal immigrants by the Thai Red Cross Council, and 237,526 illegal immigrants crossed the Thai-Cambodian border: 53,319 in Ubon Ratchathani, Sisaket, Surin, and Buriram Provinces; 169,577 in Prachin Buri; and 14,630 in Chanthaburi and Trat Provinces.

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CSO: 4207/172

6 March 1986

## THAILAND

## CIVILIAN EVACUATION FROM BORDER DISTRICT CONFIRMED

BK180945 Bangkok Television Service in Thai 1230 GMT 17 Feb 86

[Excerpts] There was a report yesterday that on 14 February the Ubon Ratchathani Provincial administration evacuated many people in an area along the Thai-Cambodian border in Nam Yun District to another area 35 km from the border in the same district as fighting between Heng Samrin and Cambodian resistance soldiers is expected. Heng Samrin soldiers apparently intruded into Thai territory. A total of 594 families were evacuated to Ban Pla Khao School. Only the men remained in their villages to guard their homes in their bunkers.

Niramon Methisuwakun, our correspondent, interviewed the commander of the Suranari Force [date of interview not given].

[Begin recording] [Suranari Force commander] This is [word indistinct] territory; we are not an enemy of Vietnam and we do not regard Vietnam as our enemy. We never thought of bullying anyone but only want to live peacefully. The Vietnamese should realize that the force which is confronting them is Thai soldiers, not Cambodian resistance forces. They should be aware of this and I believe Vietnamese soldiers in this area are aware of this to a certain extent because my units have used leaflets and loud speakers to inform them that they and Thai soldiers are confronting each other in our territory. For this reason, they ought to leave our territory. They must not remain in our territory. If they do not, they will definitely clash with Thai soldiers; it is unavoidable. I do not think a clash will be good for either side. The Vietnamese must understand this.

[Niramon] In any event, everyone hopes that a clash will not occur as long as Vietnamese soldiers do not intrude into Thai territory. If in the future Vietnamese soldiers clash with Cambodian resistance forces and refuse to pull out after the clash, they could clash with Thai soldiers. To this, the commander of the Suranari Force has said that the Thai people in the area have been evacuated to facilitate an armed operation. [end recording]

Meanwhile, the Ubon Ratchathani governor said in an interview today that the evacuees would be returned to their villages gradually this evening. It is expected that the situation has returned to normal.

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CSO: 4207/172

THAILAND

# VOFA ON SRV CHARGES ON THAI-U.S. EXERCISE

BK130900 Bangkok Voice of Free Asia in Thai 1030 GMT 12 Feb 86

[Station commentary]

[Text] Since mid-January, the VNA and the news agency of the puppet Heng Samrin government have attacked a joint Thai-U.S. military exercise in Chanthaburi Province by alleging that Thailand has colluded with the United States and China to threaten Cambodia, thus creating political and military tension in Southeast Asia. In fact, Vietnam should realize that the political and military conflict and tension in this region are the result of Vietnamese occupation of Cambodia, whose borders touch both Vietnam and Thailand, in 1984 [year as heard] by over 200,000 of Vietnamese soldiers. After rotations, these soldiers have remained in Cambodia until today.

The Thai Government stated officially on several occasions of its good intention and desire to befriend every neighboring country irrespective of its different political ideology. With exception of the Cambodian problem, Thailand has no problem regarding its relations with Vietnam. Regarding the Cambodian problem, it is a matter of a bigger nation using its military force and greater strength to wage an aggression against a smaller nation. The Vietnamese occupation force has also organized military forces to control and suppress the Cambodian people, which is clear violation of international law and poses a threat against Thailand's security. Vietnam has also employed various oppressive tricks, such as forcing Cambodians out of their homes to arid areas and replacing them with Vietnamese, forcibly drafting Cambodian civilians into military service or activities such as digging bunkers, planting landmines and booby traps along the Thai border, building roads and strategic bridges, and so forth. These Vietnamese actions are the basic and main cause of this regional tension, gravely threatening security of free world countries, particularly Thailand whose border is next to Cambodia.

Thailand has had to exercise great restraint vis-a-vis Vietnamese forces' belligerence and aggressiveness. Evidence of this was during the past dry season when Vietnamese soldiers deliberately violated Thai territory several times, forcing Thailand to define its sovereignty which resulted in many casualties. Another important repercussion for Thailand is the influx of over 200,000 Cambodians into its territory, greatly affecting its economic, social, and security situation. Thailand has reported this matter to the

United Nations on dozens of occasions. Many peace-loving and neutral countries have also strongly condemned Vietnamese violations of Thai territory.

Thailand has always said that it has a policy of peace, has no desire to be an enemy of any country, and wants the Cambodian problem resolved through political means. Thai soldiers and officials reserve the right to defend their national sovereignty and every inch of their country against deliberate violations by any country. Vietnamese leaders should have full experience of this from the Vietnamese aggression last dry season. Every Thai is always ready to courageously and resolutely defend his country from external aggression and to deal equal punishment to the aggressors. Thai people's will is the same as that of people of other countries who cherish peace.

Joint military exercises with ally forces strive to train Thai soldiers to ensure their readiness, and they are held in Thai territory. The Thai Armed Forces may not have to conduct exercises if there was no aggression against Cambodia which shares a common border with Thailand. Moreover, because Vietnam does not share a border with Thailand, it has no right whatsoever to clamor about military exercises in Thai territory. Vietnam's uneasy feelings about military exercises in Thailand can only be attributed to biased mind, because aggressors' nature make them think of others as aggressors as well.

In conclusion, we want to remind Vietnam that Thailand has legitimate right and sovereign power to do anything it wishes in its territory free from external interference. If Vietnamese leaders sincerely want peace and an end to conflict in this region, the thing they ought to do first is to withdraw all Vietnamese soldiers from Cambodia and let the Cambodian people settle their problems peacefully. Only this way can all sides and suspicion of each other and conflict in Southeast Asia be resolved.

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CSO: 4207/172

THAILAND

EDUCATION MINISTER BEGINS VISIT TO CHINA

BK151205 Bangkok Voice of Free Asia in Thai 1030 GMT 14 Feb 86

[Text] Education Minister Chuan Likphai yesterday led a team of nine officials to visit the PRC at the invitation of the Chinese Ministry of Culture. The Thai cultural delegation will visit the PRC until 1 March. The visit is aimed at forging closer cooperation between Thailand and China as both countries have expanded their programs of exchanges in education, art, and cultural fields, both at government and private level. There have been exchanges of educational and cultural delegations at various levels as well as scholarships for students and officials of both countries. This contributed to the strengthening of friendly relations between the two countries.

The Thai cultural delegation will visit Beijing, Chengdu in Sichuan, Lhasa in Tibet Autonomous Area, Kunming in Yunnan, and Jinghong in Xishuangbanna where the Dai community lives. This ethnic group has similar customs, language, and traditions as the Thai people.

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CSO: 4207/172



THAILAND

NAVY COMMANDER REVIEWS RECENT VISIT TO INDIA

BK141244 Bangkok Domestic Service in Thai 0000 GMT 14 Feb 86

[Text] Navy Commander Admiral Niphon Sirithon told reporters about his visit to the Indian Navy earlier this month. He said that he was invited by the Indian naval commander. During the trip, which was beneficial, he met with the Indian deputy defense minister and commanders from each of the armed forces, and visited state-run and naval dockyards. He also learned that most weapons used in India are made in Russia.

Admiral Niphon Sirithon said that Indian military leaders had asked about incidents at the time China invaded the northern part of Vietnam. He explained to them that Vietnamese troops intruded into Thai territory in Trat Province and took about 3 weeks to be dislodged. China has made known that if the opposite side intrudes into Thailand, China will retaliate in order to force Vietnam to withdraw. Thus, China's attack on Vietnam at that time was in accordance with its promise to Thailand. Such clarification enabled the Indian military leaders to understand.

Asked whether the navy will make any special requests for help from the prime minister when he visits the naval headquarters on 19 February, he said there will probably be no such requests because the prime minister is well aware of the problems of each of the armed forces.

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CSO: 4207/172

THAILAND

KRIANGSAK DENIES SEEKING FOREIGN AID FOR RELEASE

BK190957 Bangkok Television Service in Thai 1230 GMT 18 Feb 86

[Text] After his release from detention this afternoon, General Kriangsak Chamanan went to his Lak Si residence at Bang Khen where a large number of his family members and friends were waiting for him. According to our reporter, he looked happy, especially in the arms of Khunying Wirat [his wife] and First Lieutenant Phongphiphat, his son. On the occasion, he granted an interview to newsmen on several issues, particularly concerning the charge that he sought help from abroad for his release.

[Begin recording] [Kriangsak] The FAR EASTERN ECONOMIC REVIEW reported that I sought help abroad for an amnesty. I have never sent a letter to anyone. I should be thankful and apologize if the FAR EASTERN ECONOMIC REVIEW could produce a letter or any kind of evidence as proof. I do not understand why the FAR EASTERN ECONOMIC REVIEW made such a report just to discredit me, although I did not do what I was accused of. I do not wish to become an enemy of the FAR EASTERN ECONOMIC REVIEW, but I am upset with its report, which constituted a lie to the people and which is untrue. It also constituted a lack of responsibility. Meanwhile, I will never forget those who were kind to me during my difficulty--during my detention as a suspect in this case. It is still to be established who is wrong and who is right.

[Unidentified reporter] Do you think that other suspects who are low-ranking military officials should also be given bail as were you and the other four suspects?

[Kriangsak] It is up to the court. It depends on how the court hearings proceed. If there is no more evidence or witnesses left to be called, the court may in that case agree to bail. As a suspect or defendant, when we see that there are no more prosecution witnesses to testify against us, we can request bail according to court procedures as we are entitled to. I have submitted four to five requests already. This time I made it. We are happy, not for our own sake, but for my wife, my children. Earlier today my daughter called home from the United States to get news about me. She hoped I could return home tomorrow. Here I am.

[Reporter] Is she going to complete her studies soon?

[Kriangsak] Nearly. Why, do you have a son?

[Reporter] Are you going to work at Parliament when the season reconvenes soon?

[Kriangsak] Of course, I am doing my work as usual. It is a pity that I had to be absent from the work of Parliament. I take this opportunity to present my excuses through the news media to the speaker of the House of Representatives. I am sorry for not having done my duty to the fullest.

[Reporter] Concerning your rejection of the report by the FAR EASTERN ECONOMIC REVIEW, I would like to ask whether any of your family sent a letter to a foreign embassy or a foreign government to that effect?

[Kriangsak] I do not know whether others did that. When you are in trouble, your friends are concerned. Your friends may write a letter, or your son may do it, or somebody else may be making efforts for you. Am I right? If you are in trouble, will your children or your wife do the same? Anyway, I myself did not write a letter. I never begged or bowed to anyone. Yet, for those who were kind to me, I will never forget any of them. Their names will always remain in my heart. They may have written me a letter or given me a bunch of bananas or some oranges. I have all their names written down. It made me very happy. I wrote all their names down. I am thankful to them--all of those who were kind to me during the 154 days of detention. As for those who wrote me letters, I will answer them. Some of them, I have already told others to write back to on my behalf as it was difficult for me to write from detention. Now that I am out, I will reply to them. [end recording]

These are the views of Gen Kriangsak Chamanan. General Yot Thephatsadin Na Ayutthaya left the Police Hospital at 1810. According to a report, Gen Yot said he was happy for freedom after a long detention. He was going to temple to be sprinkled with holy water from the monks. The reporter tried to track him down, but one of his followers asked the reporter not to follow him. According to our reporter, Gen Yot may have to go from his house to the Police Hospital for daily checks concerning his health.

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CSO: 4207/172

THAILAND

ATHIT DENIES INVOLVEMENT IN POSTCARD CAMPAIGN

BK171015 Bangkok THAI RAT in Thai 16 Feb 86 pp 1, 2

[Excerpts] Speaking to newsmen in Wang Saphung District in Loei Province yesterday afternoon, Supreme Commander in Chief Athit Kamlang-ek said that he knew nothing about the distribution of anonymous postcards among army units soliciting support for the extension of his term of service because he was abroad at the time. He added that he did not know the real intentions of the masterminds behind the postcards; he has paid no attention to the postcards because their circulation has no benefits.

Asked whether the postcards will damage his image, Gen Athit said: "I had nothing to do with them, and there is no benefit to distributing such postcards. It cannot be concluded whether or not it will affect my image. Thai people are sensible enough not to draw conclusions from such a small thing. People in a society like to do different things; it is not necessary for the things to be related. It would be unwise to be confused by such a small incident."

Asked whether he had ordered an investigation to uncover the masterminds, Gen Athit said that he knew nothing of the issue and did not want to pay it any attention. He added that he saw it as a small issue and was not interested. If those people who had received the postcards pay no attention to them and tear them up, the issue will end. He said that he thought it is useless to waste any time on such an issue. It would be better for us to do things for the good of our country, national security, and the well-being of the people. There are a lot of such opportunities in society. Leaflets and postcards are distributed almost all the time. If we pay attention to all of them, we will have no time to do our duty. It would be better for us not to pay any attention to them. Nobody will do such things again if no one pays attention to them.

Gen Athit stressed at the end that "I believe that soldiers are not so stupid as to do such a thing. It is just a waste of money. However, I do not know who is behind it, nor whether they are stupid or wise. Soldiers would not do such a stupid thing because they know what they should and should not do; they would not waste their money on such an unbeneficial thing. However, I do not know who is behind the postcards or what their real intention is. A person like me does not need to waste money circulating postcards. I just want to carry out my duty. I do not think that the postcards were distributed by soldiers."

PEOPLE'S REPUBLIC OF KAMPUCHEA

PHNOM PENH REPORTS THAI VIOLATIONS, BATTLE SUCCESSES

BK140549 Phnom Penh Domestic Service in Cambodian 1200 GMT 13 Feb 86

[From the "Weekly Roundup of Salient Events" feature]

[Excerpt] Along the Cambodian-Thai border, the Thai authorities on several occasions sent their L-19, A-37, and F-5 aircraft and helicopters to conduct reconnaissance and target-spotting flights over the border junction of the three countries, Anlung Veng, Phum To, O Bok, Yeang Dangcum, Poipet, O Da, Soda, areas west and northwest of Smat Deng, and northwestern Koh Kong. Thailand also fiercely fired artillery shells of all calibers into Cambodian territory at an average of 500-1,000 rounds a day in areas, such as the areas west of Pailin and southwest of Smat Deng. The Thai also fired 1,500 mortar shells against Hill 971.

Taking advantage of the support from the Thai authorities and of arms and financial aid from Beijing and Washington, the Pol Pot remnant bandits and other reactionary Cambodian bands mobilized their routed forces and sent them to conduct provocative activities inside our territory on orders from their expansionist boss--Deng Xiaoping--who colludes with the U.S. imperialists. It is known to all that the Chinese authorities pledged to support the three reactionary Cambodian groups for another 100 years. However, all their attempts inside the country were intercepted and dealt a heavy blow by our armed forces, authorities, and people in cooperation with the Vietnamese volunteer army.

According to statistics received from all battlefields, in 46 sweeping operations launched by our armed forces in cooperation with the Vietnamese volunteer army, we put out of action 326 enemies of all kinds. Out of these, we killed 178, wounded 18, captured 67, and persuaded 66 others to return to the national society. We seized 97 assorted guns, 7 metric tons of rice, and a large quantity of war materiel.

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CSO: 4212/59

PEOPLE'S REPUBLIC OF KAMPUCHEA

REPORT ON AGRICULTURAL DEVELOPMENTS 10-16 FEBRUARY

BK170725 [Editorial Report] Cambodian media monitored by Bangkok Bureau carried the following reports on agricultural developments during the reporting period 10-16 February:

National level: Phnom Penh SPK in French at 1152 GMT on 13 February 1986 reports that by the end of January, peasants throughout the country had sown 69,300 hectares of dry season rice, fulfilling 46 percent of the plan. Outstanding producer provinces are Kandal, Takeo, Prey Veng, and Kampog Cham with 16,600 hectares, 15,230 hectares, 14,360 hectares, and 11,380 hectares of rice transplanted respectively.

Kandal Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 12 February 1986 reports that between October and the end of January, fishermen in Kandal Province caught nearly 10,700 metric tons of fish. The radio at 1300 GMT on 13 February 1986 adds that in 1985 peasants in Kien Svay District of Kandal Province raised 15,500 head of oxen, 850 more than in 1984. Phnom Penh SPK in English at 1106 GMT on 14 February says that by the end of January, peasants in Kandal Province had harvested 34,000 hectares of monsoon rice, or 78 percent of the cultivated area. At the same time, they plowed 21,500 hectares of land, raised rice seedling on 3,800 hectares, and transplanted dry-season rice on 16,600 hectares, including 11,500 hectares of the high-yielding IR-36 and IR-40 varieties. The provincial agricultural service provided the peasants with 830 metric tons of chemical fertilizer, 4,000 liters of insecticide, and 250 kg of rat killer. SPK in English at 1113 GMT on 16 February notes that by the end of last month, the solidarity fishing groups in Kandal Province had netted 19,690 metric tons of fish or 95 percent of the plan. In January alone, they netted 18,800 metric tons.

Battambang Province: SPK in French at 0426 GMT on 11 February reports that by the end of January, peasants in Thmar Puyok District had sold more than 200 metric tons of paddy to the state. SPK in English at 1116 GMT on 11 February says that by the end of January peasants in Battambang Province had harvested 70 percent of the 100,910 hectares under monsoon rice. They have planted 570 hectares of dry season rice, or one-fifth of the earmarked area. Moreover, 2,600 hectares have been grown with maize, beans, and cassava. Also by that time, peasants in Mongkolborei District had completed harvesting 32,000 hectares of monsoon rice. They also covered 50 of the 100

hectares of land earmarked for dry season rice. Phnom Penh Domestic in Cambodian at 1300 GMT on 10 February notes that by the end of January peasants in Mongkolborei District had harvested all rainy season rice with average yield of 1.5 metric tons per hectare. More than 50 hectares of dry season rice had also been transplanted.

Kompong Cham Province: Phnom Penh Radio 1300 GMT on 11 February reports that by 19 January, peasants in Kompong Siem District had harvested all the rainy season rice with a yield of more than 11,000 metric tons of paddy. They sold more than 119 metric tons to the state and planted almost 1,400 hectares of subsidiary crops and 190 hectares of vegetables. The radio at 0430 GMT on 13 February adds that in 1985, people in Kompong Cham Province repaired 2 water gates, almost 12,000 meters of ditches, and 13 dams and built 8 dikes. SPK in English at 0424 GMT on 16 February says that the peasants in Kompong Siem District have also sown and transplanted more than 1,050 hectares of dry season rice or 90 percent of the plan. They also planted 1,600 hectares of subsidiary food crops and industrial crops.

Kompong Thom Province: SPK in French at 1130 GMT on 16 February notes that in 1985, in spite of prolonged drought, peasants in Kompong Thom Province succeeded in planting more than 24,100 hectares of rice or 82 percent of their annual planting plan. During the same period, they covered more than 4,070 hectares with subsidiary food crops and industrial crops. Phnom Penh Domestic in Cambodian at 1300 GMT on 11 February reports that in January, peasants in Stoung District harvested almost 17,000 hectares of rice, transplanted more than 270 hectares of dry season rice, and planted more than 220 hectares of subsidiary food crops. The radio adds at 1300 GMT on 13 February that by mid-January peasants in Kompong Thom Province had sold more than 400 metric tons of paddy to the state.

Siem Reap-Oddar Meanchey Province: Phnom Penh Domestic in Cambodian at 1300 GMT on 10 February reports that by the end of January, fishermen in the province caught more than 1,420 metric tons of fish. Last year, they caught more than 8,400 metric tons. The radio at 0430 GMT on 15 February adds that during this year's rainy season, peasants in Puok District planted 33,000 hectares of rice. This is 1,000 hectares above the planting plan. SPK in English at 1112 GMT on 11 February notes that by late January, solidarity fishing groups in Siem Reap-Oddar Meanchey Province had netted (?8,420) metric tons of fish. For this reason, the groups expect to get 8,500 metric tons.

Kampot Province: According to SPK in English at 1126 GMT on 15 February, peasants in Angkor Chey District have almost fulfilled the harvest of 14,600 hectares of monsoon rice. For this dry season, they plan to grow 650 hectares. They sold more than 250 metric tons of rice to the state and covered 130 hectares with subsidiary food crops. The same service at 0358 GMT on 15 February adds that by the end of January, peasants in Kampot Province had transplanted more than 180 hectares on the 1,600 hectares earmarked for dry season rice cultivation and planted more than 900 hectares of subsidiary food crops. Phnom Penh radio at 1300 GMT on 12 February says that between 27 December and 24 January, the trade service in Kampot Province bought more



than 1,000 metric tons of paddy from the peasants and collected more than 500 metric tons of paddy and more than 1 metric ton of rice as national patriotic contribution from the peasants. The radio adds at 0430 GMT on 13 February that by the end of January, peasants in Angkor Chey District harvested and collected 95 percent of the 14,500 hectares cultivated area of rainy season rice. They sold more than 250 metric tons of this rice to state. In the same period, they sowed 20 hectares of dry season rice and transplanted 40 hectares of rice.

Kompong Chhnang Province: Phnom Penh Domestic in Cambodian at 0430 GMT on 15 February reports that by the end of January, fishermen in Kompong Chhnang Province had caught more than 6,900 metric tons of fish from which they produced more than 40 metric tons of dried fish, 10 metric tons of smoked fish, and more than 140 metric tons of fish paste. The Domestic Service at 2300 GMT on 13 February says that by mid-January, peasants in Baribo District distributed more than 200 metric tons of rice to state.

Kratie Province: According to Phnom Penh Radio at 0430 GMT on 14 February, by the end of January, peasants in Kratie Province sold 1,540 metric tons of rice to the state. SPK in French at 0358 GMT on 15 February notes that so far, fishermen in Kratie Province had caught more than 1,060 metric tons of fish, 60 metric tons above plan. SPK in English at 1145 GMT on 12 February says that peasants in Kratie Province have put 5,450 hectares under rice. By now, they have reaped 2,770 hectares with average output of 2 metric tons per hectare. They also gathered the 17,500 hectares of monsoon rice with average output of 1.5 metric tons.

Prey Veng Province: SPK in English at 1302 GMT on 10 February reports that by late January, peasants in Sithor Kandal District had harvested 16,200 hectares of monsoon rice with an average output of 1.5 metric tons per hectare. In the same period, they covered 2,400 hectares with dry season rice. The earmarked area is 2,670 hectares. They also planted 114 hectares of beans and 40 hectares of subsidiary food crops. The peasants in Kanhchriech District had by mid-January harvested 70 percent of the 18,500 hectares of monsoon rice. SPK in French at 0418 GMT on 12 February reports that since the beginning of the current dry season, peasants in Peam Ro District have transplanted more than 2,000 hectares of rice. Dry season rice production plan is 4,900 hectares. In the same period, they planted more than 1,280 hectares of subsidiary food crops and industrial crops. The same service at 0424 GMT on 16 February adds that in 1985, peasants in Prey Veng Province raised 204,580 head of cattle, 135,000 hogs, and 800 horses. The province's veterinary teams have vaccinated 43,500 head of cattle and 1,600 hogs against epizootic disease. Phnom Penh Radio at 1300 GMT on 13 February reports that in 1985, peasants in Prey Veng Province planted 107,250 hectares of rainy season rice and 7,497 hectares of subsidiary food crops. However, 9,384 hectares of rice were damaged by flood and drought. By 31 December, peasants had harvested 65,426 hectares of monsoon rice. They plan to grow 25,000 hectares of dry season rice and 7,000 hectares of subsidiary food crops. By 31 December, they had transplanted 10,490 hectares of dry season rice and planted 2,796 hectares of subsidiary food crops.



Kompong Speu Province: Phnom Penh Radio at 0430 GMT on 13 February notes that by early February, peasants in Phnum Sruoch District had sold more than 270 metric tons of rice and paid more than 140 metric tons of rice to the state as national patriotic contribution. The Domestic Service at 1300 GMT on 16 February adds that by early February, peasants in Kong Pisei District had sold more than 400 metric tons of paddy to the state and paid more than 600 metric tons of rice as national patriotic contribution.

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PEOPLE'S REPUBLIC OF KAMPUCHEA

HUN SEN RECEIVES NEW INDIAN CHARGE D'AFFAIRES

BK180758 Phnom Penh Domestic Service in Cambodian 0430 GMT 18 Feb 86

[Text] Comrade Hun Sen, member of the KPRP Central Committee Political Bureau, chairman of the Council of Ministers, and minister of foreign affairs, received at the cabinet of the Council of Ministers on the afternoon of 17 February Indian Charge d-Affaires A. K. Pandey, who came to pay his courtesy call at the start of his diplomatic mission to the PRK.

Speaking on this occasion, Comrade Hun Sen expressed a very cordial and warm welcome to A. K. Pandey on his mission in Cambodia. He went on to note the all-round steady development of the Cambodian revolution which has materialized in the past 7 years. Despite the multiple maneuvers put out by the counterrevolutionary enemy of all colors, he said, no one can reverse the situation of the Cambodian revolution. Once again, Comrade Hun Sen expressed firm belief that the relations between Cambodia and India will further develop and strengthen.

In his reply, A. K. Pandey highly appreciated the all-round development of the Cambodian revolution. He went on to say that the Indian Government and people will always firmly support the Cambodian people's just cause of struggle for national reconstruction and defense. He affirmed that he would work hard to further strengthen and develop the relations between Cambodia and India in the interests of both countries.

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PEOPLE'S REPUBLIC OF KAMPUCHEA

HENG SAMRIN, HUN SEN THANK USSR FOR GREETINGS

BK141440 Phnom Penh Domestic Service in Cambodian 1300 GMT 14 Feb 86

[Text] Comrade Heng Samrin, general secretary of the KPRP Central Committee and chairman of the Council of State, and Comrade Hun Sen, member of the party Central Committee Political Bureau and chairman of the PRK Council of Ministers, recently sent a message to the CPSU Central Committee, the Supreme Soviet Presidium, and the USSR Council of Ministers, thanking them for their greetings on the seventh anniversary of the 7 January national day.

The message stressed: We firmly believe that henceforth the fraternal friendship and all-round cooperation between Cambodia and the Soviet Union will further develop in the interests of our two peoples, for the consolidation of the socialist community, and for international peace and security.

We wish the Soviet people as a whole more successes in welcoming the 27th CPSU Congress and in materializing the advanced socialist society in the step toward building communism throughout the Soviet Union.

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PEOPLE'S REPUBLIC OF KAMPUCHEA

LEADERS THANK LAO COUNTERPARTS FOR GREETINGS

BK180814 Phnom Penh Domestic Service in Cambodian 1300 GMT 17 Feb 86

[Text] Recently, high-ranking leaders of the party and state of the PRK sent a message to thank Comrade Kaysone Phomvihane, general secretary of the LPRP Central Committee and chairman of the Council of Ministers; and Comrade Souphanouvong, president of state and chairman of the Supreme People's Council of the LPDR, for their greetings on the occasion of the seventh anniversary of the PRK national day.

The message reads: The 7 January victory of the Cambodian people is a strong force of the great solidarity of our three peoples in Indochina, which is the prime factor in the cause of the defense of the country and the nation, as well as the construction of socialism, contributing actively to the defense of peace and stability in Southeast Asia and the world. We are elated to note that the bonds of friendship, the special militant solidarity, and the multifaceted cooperation between our two parties, governments, and peoples are steadily strengthened with every passing day, insuring victories in each country in the defense and construction of the nation advancing toward socialism on the path of genuine Marxism-Leninism.

Taking this opportunity, we would like to wish that the fraternal Lao comrades and people enjoy the best of health and that you achieve new successes in the defense of revolutionary gains and the construction of socialism.

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PEOPLE'S REPUBLIC OF KAMPUCHEA

HENG SAMRIN THANKS AFGHANISTAN'S KARMAL FOR GREETINGS

BK160216 Phnom Penh Domestic Service in Cambodian 1300 GMT 15 Feb 86

[Text] Comrade Heng Samrin, general secretary of the KPRP Central Committee and chairman of the PRK Council of State, recently sent a message of thanks to Comrade Babrak Karmal, general secretary of the Central Committee of the People's Democratic Party of Afghanistan and president of the Revolutionary Council of the Democratic Republic of Afghanistan, for his greetings on the 7th anniversary of the PRK national day. The message noted:

I am convinced that the bond of friendship, solidarity, and cooperation between our two countries will be further strengthened in the interests of our two people and in contribution to the struggle against the imperialists and reactionary forces and to peace and security around the world.

I wish you, your government, and the fraternal, heroic Afghan people greater victories in the tasks of national defense and construction.

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CSO: 4212/59

PEOPLE'S REPUBLIC OF KAMPUCHEA

HENG SAMRIN, HUN SEN THANK POLISH LEADERS

BK150758 Phnom Penh Domestic Service in Cambodian 0430 GMT 15 Feb 86

[Text] Recently, Comrade Heng Samrin, general secretary of the KPRP Central Committee and chairman of the Council of State; and Comrade Hun Sen, member of the party Central Committee Political Bureau and chairman of the Council of Ministers, sent a message of thanks to Comrade Wojciech Jaruzelski, first secretary of the Central Committee of the Polish United Workers Party and president of the Council of State; and Comrade Zbigniew Messner, member of the Politburo of the Central Committee of the Polish United Workers Party and prime minister of the Polish People's Republic, who sent congratulations on the 7th anniversary of the PRK national day. The message stresses that:

We are very glad to note that the relations between our two countries in every field are being further strengthened and expanded for the benefit of our people and to contribute to strengthening the socialist community for lasting security and peace in the world. Please accept our wishes; through you, we convey our wishes to the Polish people for new and greater victories in strengthening the base of an advanced socialist society of the Polish People's Republic.

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PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

ICP ANNIVERSARY CELEBRATED--On 1 February, a get-together was organized at the office of the PRK-SRV Friendship Association to mark the 56th founding anniversary of the Indochinese Communist Party. Chan Ven, general secretary of the Council of State, vice chairman of the Front National Council, and chairman of the PRK-SRV Friendship Association, spoke about the founding of the Indochinese Communist Party under Ho Chi Minh's leadership and denounced perfidious maneuvers of the Beijing expansionists in collusion with U.S. imperialists, ultrarightist Thai circles, and the Pol Pot, Son Sann, and Sihanouk bandits. Adviser to the Vietnamese Embassy in Cambodia Vu Nha also talked about the struggle of the peoples and armies of the three Indochinese countries. [Summary] [Phnom Penh Domestic Service in Cambodian 0430 GMT 3 Feb 86 BK] /9274

HUN SEN GREETES MPR MINISTER--Recently, Comrade Hun Sen, foreign minister of the PRK, sent a greetings message to Comrade Mangalyn Dugersuren, foreign minister of the Mongolian People's Republic, on the occasion of his 64th birthday. The message says: I am elated to present my greetings and my sincere wishes on the occasion of your 64th birth anniversary. Due to your direct contribution as a genuine revolutionary and an active leader, the role of the MPR on the international scene has been steadily heightened. On this occasion, I wish that you, Comrade Minister, enjoy the best of health and happiness and that you achieve great success in your noble duty for the development of the Mongolian people and for the cause of peace in Asia and the world. [Text] [Phnom Penh Domestic Service in Cambodian 1300 GMT 17 Feb 86 BK] /9274

HUN SEN THANKS BULGARIAN COUNTERPART--Comrade Hun Sen, foreign minister of the PRK, recently sent a message of thanks to Comrade Petur Mladenov, foreign minister of the People's Republic of Bulgaria, for his greetings on the 7th national day of the PRK. The message noted: We are firmly convinced that the friendship and close cooperation between our two countries will further develop in the interests of the Cambodian and Bulgarian peoples and for the cause of peace and socialism in the world. [Text] [Phnom Penh Domestic Service in Cambodian 1300 GMT 13 Feb 86 BK] /9274

SIEM REAP-ODDAR MEANCHEY SITUATION--Phnom Penh, 15 Feb (SPK)--Last year, armed forces in Siem Reap-Oddar Meanchey Province, a border province about 300 km northwest of Phnom Penh, put out of action 1,520 enemy soldiers,

including 652 killed, 750 wounded, and 100 taken prisoners. Furthermore, during the same period, aware of the 6-point clemency policy of the party, 3,073 persons misled by enemy propaganda presented themselves to the provincial revolutionary authorities, bringing with them 1,147 assorted weapons, and some military equipment. Despite natural disasters, peasants in Siem Reap-Oddar Meanchey Province last year planted 152,000 hectares of rice and another 4,870 hectares of subsidiary crops. [Text] [Phnom Penh SPK in French 0402 GMT 15 Feb 86 BK] /9274

HUN SEN GREETES LAO MINISTER--Phnom Penh, 19 Feb (SPK)--Hun Sen, PRK foreign minister, recently sent a congratulatory message to his Lao counterpart Phoun Sipaseut on his 66th birthday. The message wished the Lao chief diplomat good health, happiness, longevity, and new successes in carrying out his noble tasks. [Text] [Phnom Penh SPK in French 1201 GMT 19 Feb 86 BK] /9274

CSO: 4212/59



## MILITARY AFFAIRS AND PUBLIC SECURITY

### STUDY DRIVE LAUNCHED TO HELP PEOPLE UNDERSTAND PENAL CODE

Hanoi HANOI MOI in Vietnamese 29 Nov 85 p 2

[Article by Binh Luu, Department of Propaganda and Training of the Municipal CPV Committee: "Initial Results of the Penal Code Study"]

[Text] During the past 2 months, along with organizing and guiding the implementation of the resolution of the 8th Plenum of the Central Committee on prices, wages and currency, the echelons and sectors in the city have guided people in studying the Penal Code so that they have a thorough understanding of the code. The Department of Propaganda and Training and the Justice Service have prepared thousands of introductory documents on the Penal Code, asked and answered legal questions and trained 1,000 reporters who are knowledgeable about the law and who have communication skills in order to serve the wards, districts, cities, subwards and villages.

The municipality and the wards and cities have all established guidance committees headed by chairmen or vice chairmen. Development has been guided and unified, and practical results have been achieved. To date, more than 500 conferences have been organized for key cadres, party members, youth union members, workers, civil servants and laborers in the capital in order to have them study the laws.

Using a variety of means, the newspapers, radio stations and information systems of the municipality have continuously introduced the basic themes and the viewpoints, lines and policies of the party and state that appear in the Penal Code.

In general, after having studied the criminal laws, the cadres, workers, civil servants and laborers in the capital now realize the importance of promulgating laws. They understand the important role of the Penal Code in building and defending the fatherland and have begun to understand the viewpoints, lines and policies of the party and state on crime and punishment as found in the Penal Code. They see the superiority of the socialist system and of socialist laws in daily life. Laboring people have rights and obligations in controlling the state and society.

With this realization, many echelons, sectors and units and many people have determined their responsibilities. Together with the public security, judicial

and control sectors, they are carrying out the laws strictly, struggling to prevent crime and building social life in the capital based on having rules and laws.

During the development process, the wards, districts, cities and sectors have tied gaining a thorough understanding of the Penal Code to developing revolutionary action programs, reviewing the situation, implementing the past lines, policies and laws of the party and state and pointing out ways to overcome the shortcomings with the aim of implementing the resolution of the 8th Plenum of the Central Committee on prices, wages and currency.

The outstanding points in the action program are: strengthen market control; oppose speculation and smuggling, the production of bogus goods and illegal business activities; control the posting of announcements and the sale of goods based on the posted prices; oppose market disruption; and control weighing, measuring and counting activities. Hundreds of cases of violations of business regulations have been investigated and prosecuted.

Along with investigating matters and prosecuting violators, the main business streets and the bus and train stations have been and are rearranging the shops in accord with the management, control and inspection requirements of the state and maintaining cleanliness and civilized commerce.

The municipality's sectors are engaged in many practical activities. In coordination with Ba Dinh and Hai Ba Trung wards and the subwards with bus depots, the Communications and Transportation Service is re-establishing order at the depots. The grain and commercial services have launched a movement to implement the regulations of the state in distributing grain, foodstuffs and commodities.

Besides serving as the staff to help the party committee echelons guide the development of the Penal Code, the sectors in the internal affairs field have, together with the other sectors, handled cases of hoarding. The districts have concentrated on prosecuting almost 300 cases of illegal usurpation of buildings and land. The justice sector has given the primary organizations guidance in consolidating almost 100 village and subward justice committees and mediation teams in many villages such as Co Loa in Dong Anh and Thinh Liet in Thanh Tri. It has also launched movements to eliminate outmoded customs, maintain security in the hamlets, protect historical ruins and build the new cultural family and the new rural area.

The study of the Penal Code in the municipality has just achieved initial results. But a number of sectors and mass organizations have not yet concentrated on guiding those in their sector or mass organization in studying this. Many enterprises and agencies have not organized things for the cadres, workers and civil servants to study the laws. The work of organizing things so that the people can study the laws is proceeding slowly. From now until the end of the year, even though efforts must be concentrated on guiding the implementation of the resolution of the 8th Plenum of the Party Central Committee and the resolution of the 2d Plenum of the Municipal CPV Committee on prices, wages and currency and on stepping up production in the various sectors, the units must concentrate on guiding things closely and correcting the shortcomings promptly so that all the cadres, workers and people thoroughly understand the Penal Code before it goes into effect.

MILITARY AFFAIRS AND PUBLIC SECURITY

EXPERIENCES OF VPA SIGNAL, LIAISON BRANCH RELATED

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese Oct 85 pp 29-35

[Article by Maj Gen Hoang Niem: "Combat and Development Experiences of the Signal and Liaison Branch"]

[Text] Immediately after our people won political power, on 9 September 1945, our army's first radio network was set up. That day is regarded as the birthday of the Signal and Liaison Branch of the Vietnam People's Army.

Since that day the communications troops have overcome myriad difficulties and challenges in the course of simultaneously fighting and developing their forces, and have contributed worthily to the history of combat and glorious victory of the heroic Vietnam People's Army. In a letter sent to the signal troops, Uncle Ho praised them as follows: "The signal and liaison troops have achieved many glorious accomplishments. They have been brave and agile, and have overcome all difficulties in maintaining communications and liaison."

Beginning with the tiny signal and liaison units, equipped with decrepit technical equipment taken from the French colonialists in the August Revolution in 1945, the communications troops have become increasingly larger and stronger and have effectively served the combat and development of our soldiers and people. Each step along the path of our army's victory and growth has signified a step toward maturization by the signal and liaison troops. If during the first days of the resistance war the communications troops only provided communications and liaison support primarily by means of primitive facilities and methods, in combination with some radio and wired facilities, by the time our troops began to carry out such major campaigns as the Border and Tay Bac Campaigns, the communications troops had developed into a force made up of many types of information--wireless, wired, etc.--and were capable of providing more complete support regarding command communications and coordinated combat communications for the strategic, campaign, and tactical levels and for the combat activities of the main-force troops on the main battlefield and in guerrilla warfare in all localities, and provided prompt support for on-the-spot fighting and mobile combat.

It may be said that in 9 years of arduous and challenging resistance war against France the communications troops, which had been emptyhanded, emerged from the period of development to form a combat arm and continually develop and mature.

After the victory of the anti-French resistance war our army entered the period of conventional, modern development. The communications troops underwent rapid development with regard to equipment and organization, and became a combat arm which could support conventional warfare with relatively modern technical equipment. That maturization created a solid basis on which the communications troops could win glorious victories and develop to a higher level in the anti-U.S. resistance war for national salvation. In that fighting the communications troops had both mobile forces and on-the-spot forces at all levels of the main-force troops and local troops. The communications network of the General Staff and the communications of the combat arms and armed forces branches were completed and strengthened. The level of modernity of the combat arm's equipment was raised, and more and more of its equipment was modern.

The continual growth of our cadres and men with regard to equipment, organization, military communications art, and politics-morale created conditions and a solid bases on which the communications combat arm could continually improve its capability to fulfill its strategic, campaign, and combat missions, and do an increasingly better job of fulfilling the requirements regarding command communications, combat coordination communications, and communications between the front and the rear echelon by the main-force troops and in local people's war. Exemplary in that maturity were the contributions made by communications and liaison in the war of destruction against the North and in the 1968, 1972, and 1975 strategic offensives in the South.

After the complete victory of the anti-U.S. resistance war for national salvation, our country began a period of building and defending the socialist Vietnamese fatherland. The communications troops were faced with new, greater missions and greater requirements. But that was also a period in which the signal and liaison branch underwent new maturization with regard to the quality of organization in the ranks of professional specialized-technical cadres and personnel, and in military communications art. That has been proved in capability to ensure reliable, timely, and accurate communications nationwide and in the sphere of the strategic alliance among the three countries on the Indochinese peninsula and between Vietnam and the community of socialist nations. Its ability to ensure communications for command and combined combat by combat arms and armed forces branches has been clearly improved in the course of actual combat in Cambodia and along the northern border.

In reviewing the 40 years of combat, development, and maturization of the communications combat arm and focus on the new combat missions and developmental requirements of a modern technical combat arm that is appropriate to the actual conditions of Vietnam and Vietnamese people's war, we may learn many valuable lessons. The following are some lessons regarding the application of the thoughts and viewpoints of the people's line and the Party's people's armed forces in the combat and development of the signal and liaison branch.

We all know that our army in general and each combat arm specifically emerged in the smoke and flame of fierce struggle by our whole population against large and strong imperialist aggressors. Our soldiers and people had to fight

under the conditions of being practically empty-handed, but having to defeat enemies with professional aggressor armies and modern equipment, weapons, and war facilities.

In order to fight victoriously and develop our forces under those conditions, we had to have determination to fight in the spirit of "being willing to die so that the Fatherland can win." The first lesson learned by our signal and liaison branch was that of being determined to develop the communications troops into a combat arm sufficiently strong to fulfill the military communications missions and functions of the people's armed forces in people's war to liberate the nation and people's war to defend the Fatherland.

Clearly realizing indispensable role of communications and liaison in combat, and having solid confidence in the leadership of the Party, the peerless strength of people's war, and the capability of our entire population and army to become increasingly stronger as that fought, the cadres and men of the signal and liaison branch manifested an iron-like determination, did not retreat a step in the face of all difficulties and obstacles, sought out all capabilities and difficulties, and fully utilized all facilities and measures to serve combat and the development of the communications and liaison troops. The tradition of fighting with what they had and taking weapons from the enemy to kill the enemy of our entire population took form and developed strongly among the communications troops. Before, they had wireless and wired communications equipment they used flags, lamps, bugles, firecrackers, and foot messengers to ensure command communications. Once they had modern technical facilities, even though their numbers were small and their quality was low, they endeavored to fully utilize and develop the capability and effect of those facilities to serve combat. If they didn't know how to use them they would find someone to teach them. If they couldn't find a teacher they groped around and sought to understand them to equip themselves with the experience and knowledge to use and repair them. Once they had material-technical bases they were determined to develop the combat arm into a modern technical combat arm.

The actual situation of combat and development by the combat arm have clearly indicated that the requirement with regard to determination cannot be posed only during the initial development phase, before we have modern technical facilities. Even when they have modern technical bases, such as today, the cadres and men of the communications troops still must have great determination to advance to mastering modern science and technology in order to meet the higher requirements of the combat missions posed by the development and maturation of the army.

In addition to having a high degree of determination, the signal-liaison troops paid all-out attention to correctly and creatively resolve the basic combat and development problems of a combat arm with a modern scientific-technical nature, in a manner appropriate to the actual conditions of our army and our people's war.

Fully understanding the Party's military thought and viewpoints on the relationships between people and technical equipment and between science-technology and politics, the cadres and men of the communications troops paid attention to combining educating and training technical communications cadres,



enlisted men, and personnel with strengthening the communications material-technical bases. Just after the combat arm was formed the communications troops had very few communications facilities, but it kept a step ahead in training communications technical cadres and personnel. The combat arm held one class after another to train signal specialists and station heads. The training of technical cadres and personnel was carried out in many forms, by combining on-the-spot training and on-the-job training with training in schools and concentrated training. The First Party Congress of the Signal-Liaison Department stressed that "It is necessary to step up force building, especially investment in the training of cadres and technical personnel along the lines of raising their scientific-technical level and specialized professional level on the basis of its political-ideological level." Because it firmly grasped the key link in raising the level of the combat arm and increasing its ability to master military communications science and technology.

The combat capability of a specialized technical combat arm, such as the signal and liaison branch, are manifested in a concentrated manner in its material-technical bases and the people using them. Therefore, in addition to training technical cadres and personnel, the combat arm has always positively and actively resolved the problem of supplementing and strengthening the technical facilities and providing tactical support. Under our country's actual circumstances, the supplementation and strengthening of our technical facilities must be accomplished by many means, such taking from the enemy to equip ourselves, relying on aid from our friends, and self-production and assembly.

In the actual course of 40 years of simultaneously fighting and developing, the communications combat arm have realized with increasing clarity that in order to build a technical combat arm that is appropriate to the actual situation of Vietnam and the objective laws of modern science and technology it is necessary to resist both extreme tendencies: sanctifying the technical element or regarding it too lightly. It is necessary to fully understand the scientific-technical requirements of the combat arm, while also clearly understanding the revolutionary will and creative capability of our soldiers and people in overcoming difficulties and advance to mastering science and technology find the best ways to strengthen the material-technical bases, and promptly serve the combat and force building of our soldiers and people.

The basic goal of building and developing the signal and liaison branch is to ensure timely, reliable, accurate, and secret communications and liaison for command and coordinated combat by the combat arms, armed forces branches, and armed forces. The combat activities of our soldiers and people are carried out in many different forms of combat, with many tactical forms and stratagems, and many different strategic activities. The basic requirement posed for the communications combat arm is to ensure communications and liaison in all forms of combat and in all scales of the armed forces and people's war. The armed struggle activities of the Vietnamese people's armed forces are very rich and varied with regard to combat forms and stratagems. They demand that our communications combat arm have military communications art that is appropriate to the people's war line and viewpoints and the actual combat situation of the armed forces. That is also a principle and a major

experience in the communications combat arm's combat and force development during the past 40 years.

In fact, from the very beginning of the anti-French resistance war the extremely brave, mobile, flexible combat activities, with unique, creative fighting methods demanded that the communications troops have organizational measures and activities that were appropriate, for only then could the combat requirements of our soldiers and people be met. There had to be organizational measures and activities that ensure communications for the combat command of the main-force troops in the offensive and defensive combat forms, in the ambush and raid tactical forms, and in maneuver warfare and positional warfare. There also had to be ways of deploying forces and organizing communications and liaison that are appropriate to the combat command of the local, district, and provincial troops. Our people's war had the form of being interspersed with the enemy. There had to be ways to organize communications and liaison in such a way as to ensure communications under the conditions of the battlefields and units being divided up into many areas. With a strong will to fight and achieve by all means the slogan, "wherever there is command there must be communications and liaison," our signal and liaison troops overcame all difficulties, manifested a positive, creative spirit, fully utilized all facilities, combined many measures to ensure communications, and continually expanded the sphere of service, in order to ensure communications and liaison for the people's forces. It is possible to mention a few examples to prove that.

For example, during the first years of the resistance war our wireless communications facilities were very deficient and their technical and tactical capabilities were very limited. In order to ensure communications and liaison between the central echelon and the distant battlefields and to all areas of operation and down to the basic level, our communications network combined all communications forces and facilities to form communications networks with many liaison measures: relay, direct liaison, mutual assistance, and replacing one another when necessary. That art is manifested in both organization and utilization, in both position and force, and both people and technical equipment, in accordance with the principles of the upper echelon assisting the lower echelon, and the lower echelon taking the initiative in overcoming difficulties, under the unified, centralized guidance of the central general communications stations and key general communications stations and key general communications stations down to the middle-level and basic-level stations.

On the basis of the actual situation of people's war becoming increasingly developed and strong and the glorious victories of our soldiers and people, the communications troops were able to gradually develop the military communications art of people's art and the people's armed forces. It is a military communications art of profoundly understanding therevolutionary offensive thought, to be appropriate to the organization of forces and the flexible, creative fighting methods, bring into play the combined strength of the communications-liaison troops, the coordination of the combat arms and armed forces branches, and the assistance and coordination of the people. It is a military communications art of both fully utilizing and developing our precious experiences and traditions and continually applying the modern communications technology advances and the experiences of modern military

communications. On the basis of that military communications art the signal and liaison branch victoriously fulfilled the requirement of ensuring communications and liaison in all forms of combat by the, expanded its sphere of service, and applied many modern communications modes, including the most modern communications and liaison modes.

Under the conditions of modern war, communications and liaison are also a front on which there takes place a tense, fierce fight between ourselves and the enemy. The requirement of defending our communications and liaison and disrupting the communications and liaison of the enemy has become one of the important contents of military communications art. On that front our communications combat arm had to match strength with an enemy with very great superiority with regard to modern communications facilities and specialized professional experience. However, its initial immaturity and youth, the communications combat arm matured rapidly and won a glorious victory in the fight to defend our communications forces, maintain secrecy for military communications and liaison activities, and ensured solid communications in the various combat contingencies, while at the same time actively attacking the enemy by means of such appropriate forms and measures as feints to deceive the enemy, destroying the enemy's material bases, and promptly discovering the secret and top secret communications of the enemy in order to serve our combat command. The glorious victory of the signal and liaison branch in carrying out a feint by means of communications and liaison measures during the Buon Ma Thuot victory (1975) was a model example of the skill and creativity of the art of attacking the enemy and defending ourselves on the military communications front. By continually improving the enemy on the military communications front, in "electronic warfare" the communications combat arm further perfected the military communications art of people's war and people's armed forces of Vietnam.

The results that have been attained during 40 years of building the combat arm and the experience accumulated in the process of fighting while building and developing forces are a solid basis on which the communications combat arm can improve the quality of combat and fulfill the requirements and missions in the period of building and defending the socialist Fatherland.

The enterprise of maintaining combat readiness and fighting the various kinds of aggressive war waged by the Chinese expansionists and hegemonists demands that our armed forces improve their quality in all ways and resolve many new problems which differ from the period of national liberation war. Fully understanding the military line and viewpoints of the Party in building national defense by all the people and people's war to defend the Fatherland, the cadres and men of the communications combat arm are endeavoring to develop the combat arm into one with an increasingly higher revolutionary, regular, and modern level that is appropriate to the continually developing situation in Vietnam. The communications combat arm is determined to serve unconditionally and ensure timely, accurate, full, and secret communications for the combat and development activities of the armed forces.

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CSO: 4209/173



MILITARY AFFAIRS AND PUBLIC SECURITY

WRITER CRITICIZES SLOWNESS, CORRUPTION DURING RAIL TRANSPORT

Hanoi QUAN DOI NHAN DAN in Vietnamese 24 Dec 85 p 2

[Article by Van Than: "Freight Transport By Train Is Too Slow"]

[Text] A comrade from my unit recently escorted a shipment of goods from Hanoi to Saigon. The trip took 15 days. That was very "quick" because in some cases it takes freight trains 1-2 months to reach their destination.

This slowness is due to a variety of negative things during transport. If the owners of goods do not know the proper way of "doing things," much time is lost registering the goods for transport. Thus, some very "innovative" people go directly to the home of the head of the planning office to register the day before. And so the next day, there is a train car available to transport their goods. When a train stops at a station, the inspectors take hammers and bang on each of the freight cars. That is a "special signal" that those escorting the goods must recognize in order to provide "nice treatment" so that they will not be stopped along the way for failing to "maintain the techniques on the car" and prevented from continuing. Those escorting the goods must take along a rather large sum of money for certain "expenses" along the way. Naturally, that money goes to support individuals and not the railroad sector. It does not go into the state fund. Is there any way that the railroad sector can put a stop to this? If such negative activities during freight transport are allowed to continue, time will be lost and the public funds of the agencies and units will be wasted. And in the end, the state will have to bear the burden.

11943  
CSO: 4209/274

MILITARY AFFAIRS AND PUBLIC SECURITY

COLUMNIST: DO NOT COVER UP CADRE SHORTCOMINGS, CRIMES

Hanoi QUAN DOI NHAN DAN in Vietnamese 24 Dec 85 p 2

["Party Member Heart-To-Heart Talk" column by Son Hong: "Not a Small Matter"]

[Text] Dear Mr D:

Because you are an inspector, you probably know many stories, including the one that I am going to relate below. But I want to be sure. I don't know whether you know what really happened after listening to public opinion, reviewing the accusation, sending people to determine what happened and listening to the people at the installation say that nothing happened or that it didn't amount to anything. I just want to remind cadres to gain experience from this. That's all. Thus, I feel that it is my responsibility to write this letter to you.

At my unit, Mr H was a very capable person, and upper echelons trusted him. When he first came to the unit, everyone thought very highly of him. Besides his work skills, he proved himself to be honest cadre and, therefore, he quickly became a leader at my unit. One day, as if he had suddenly remembered something after having forgotten the matter because of all the work that he had to do, he had a heart-to-heart talk with the chairman of the rear service committee and mentioned some problems and a few delicate matters. In a very short time, he had a large house with a bright red tile roof just like in a film (his home is several hundred km from the unit). Everyone thought that that was proper because he would be able to rest from his work. But he began to make more and more demands. He got whatever he wanted. He already had a sofa made of "lat" wood. But he wanted a three-drawer dresser with mirror, a cabinet for glassware and a matching pair of "mod-dec" beds. But he did not request these things himself. He had others speak for him. And of course, those who worked for him wanted the same thing. I am sure that there were moments when his conscience troubled him. But perhaps he thought that timber and military manpower were inexhaustible. Because he had such things, those subordinate to him wanted similar things, too. Even though they did not want as much, there were many more of them. Thus, many trees were felled and the training time of the soldiers was interrupted. Some soldiers were crushed by trees and others drowned.

When people made criticisms, Mr H seemed to accept their criticism. But after that, those people were "sent away to study," "transferred to another unit" or "retired." Mr H did not change at all. Later on, Mr H was transferred to another unit. At this new place, his wooden home was no longer suitable and so he sold it. Vehicles transported steel and cement, and troops built a two-story house for him in the middle of town. And what is unbelievable is that the sofa, dresser and beds were all beautifully refinished.

I am sure that you considered this an important matter and that you investigated this right away. Now, public opinion has turned against Mr H. He became alarmed and transferred to another unit. But in connection with the above story, I would like to tell you about something that has been worrying me for a long time. Can we be certain that Mr H won't build any more houses? Could it be that talented cadres who have scored achievements are treated with special consideration and their prestige guarded by giving them transfers? Mr H appropriated a large amount of valuable property belonging to the army. But that is only one aspect. The greatest harm was done to the combat strength of my unit and to the confidence of the masses and people. In the interests of the honor and traditions of the army, I do not think that we should tolerate a cover up. Instead, the actions of Mr H and those who helped him should be exposed. The party's prestige cannot be protected by covering up shortcomings. When the shortcomings are obvious, that will just destroy the party's prestige. Instead, the party's prestige must be preserved through criticism and self-criticism, including public self-criticism. If a person commits a serious crime, regardless of what level he is at, he must be prosecuted and disciplined severely.

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CSO: 4209/274

## INTERNATIONAL RELATIONS, TRADE AND AID

### SOVIET AID FOR VIETNAM'S AGRICULTURAL DEVELOPMENT PRAISED

Hanoi KHOA HOC VA KY THUAT NONG NGHIEP in Vietnamese Oct-Nov 85, pp 444-447

[Article by Nguyen Dang, Vice Minister of Agriculture: "The Great Assistance of the Soviet Union for Agricultural Development in Vietnam"]

[Text] Under the leadership of the Vietnam Communist Party, since the August Revolution our country's agriculture has undergone historic turning points. In the North, the land reform was successful, the tillers had land, cooperativization was completed, and the collective peasant class became masters of the countryside. In the South, after the victory the anti-U.S. resistance war for national salvation and the completion of national unification, the revolutionary administration sent millions of people back to their home areas to make a living, restore production, and set up cooperatives and production collectives and brought the peasants onto the path of collective livelihood. Agriculture has undergone basic changes and new transformations. During the 1980's, agricultural production in our country, especially with regard to rice, has developed well and relatively comprehensively, and the socialist production relations were consolidated and further expanded. "Rice yields of five tons per hectare over two seasons have become widespread. Two provinces have attained rice yields of more than seven tons per hectare and seven provinces have attained more than six tons" (Report of the Ministry of Agriculture, 1984).

Those victories were achieved first of all because the agricultural development viewpoints and lines of our Party and state were correct and appropriate to the conditions and characteristics of our country in the first phase of the period of transition to socialism. They were also due to the work and great efforts of the collective peasants, agricultural workers, and scientists and managers of the sector, with the cooperation and service of many other sectors of the national economy.

In addition, the great assistance of the Soviet Union, of the other socialist countries, and of our friends and international organizations all over the world, have contributed considerably to the tropical agriculture of Vietnam.

Immediately after the success of the August Revolution, and especially after relations were established between Vietnam and the Soviet Union, along with cooperating and providing assistance in many spheres, the party, state, and

people of the Soviet Union provided great and valuable assistance for the agriculture of Vietnam. During the last days of the difficult resistance war against the French colonialists, many agricultural cadres began to be sent for training in the Soviet Union. Then, with the development of intensive cultivation and specialized cultivation in Vietnamese agriculture, the number of scientific-technical cadres, basic science cadres, and economic management cadres with college and post-college educations, and the number of technical workers that were trained, became larger and larger. During the recent period, in addition to the cadres of many other sectors every year dozens of agricultural cadres of the central and provincial organs went to the Soviet Union to improve their knowledge of economic management. That timely assistance proved the ardent support of the Soviet Union for the improvement of our economic management in agriculture. At present we have several hundred agricultural science PhD's and MA's. Most of them were trained in Soviet schools and institutes. We have tens of thousands of college graduates and thousands of skilled agricultural workers. A large number of them were also trained in the Soviet Union. The cadres who returned to Vietnam after being trained in the Soviet Union include people who are now well-known scientific cadres and instructors who have made outstanding contributions and in general have played hard-core roles in agricultural science and technology. After the complete liberation of the South they, and many other agricultural science cadres who were trained in different periods of time and under many different systems, formed a large corps of cadres who engaged in practical activities, were effective, and contributed to building and developing the tropical agrobiolgy of Vietnam.

Immediately after the restoration of peace in the north of our country (1954), the Soviet Union sent experienced cadres to our country to help us draft vocational training curricula and systems. The Soviet Union helped equip Vietnam's first agricultural college. It was also one of the largest training schools in our country. To day the school still receives supplementary aid and equipment from the Soviet Union. Recently the Soviet Union provided complete equipment and sent a complete instructional faculty with nine specialized sectors to train agricultural machinery workers at the Vietnam-Soviet Machinery Workers Schools. By means of a testing program and the specific results attained at that schools, we will have additional experience in training skilled agricultural machinery workers to serve the mechanization and electrification of the nation's agriculture. By means of the corps of cadres trained in the Soviet Union and by the cadre training schools in our country, and by means of the various aspects of scientific research and production guidance, we can clearly see a feature which illuminates the flexible application of the experiences of the Soviet Union in order to create a Vietnamese tropical agrobiolgy.

In 1956 the government of the Soviet Union provided us with equipment for 10 agrochemical analysis laboratories and sent technicians to help our country draft soil maps of the North. Those precious facilities and documents helped our party and state evaluate the natural resources of Vietnam, on the basis of which to adopt correct policies in drafting agricultural-forestry development plans.

During the 1957-1960 period of economic restoration and development, in addition to carrying out the collectivization of agriculture we adopted the policy of setting up state agricultural installations. From those first years, Soviet specialists accompanied our cadres to many undeveloped areas to mobilize forces, organize production, use machinery provided by our friends, and help set up socialist state agricultural enterprises. In addition to sending specialists, our friends sent many kinds of equipment and machinery to help develop the state farms, such as land clearing equipment, tractors, agricultural machinery, trucks, equipment to process such agricultural products as tea, coffee, and pineapples, and such materials as chemical fertilizers, insecticides, etc. In order to overcome the deficiencies caused by failure to grasp the basic situation of the state farms in the initial period of development and in order to heal the wounds of the war of destruction, in 1975 the two countries signed an agreement by the terms of which the Soviet Union reserved for us an important amount of capital to promptly stabilize the production of the existing state farms. Now, most of the products, especially the long-term industrial crops and fruits delivered to the state are produced by state farms. That has an important significance: from their initial difficulties we gained sufficient experience so that we had been able to set up more than 400 state farms and form a nationwide socialist state farm system that is owned by all the people.

We received most of our agricultural machinery and equipment from the Soviet Union. Tens of thousands of tractors, harvesters, planters, etc., are operating in the fields of Vietnam. We now have a machinery force that is organized into machinery stations and units in nearly all districts nationwide. That force has effectively supported soil preparation, ensured the seasonal schedule, and allowed the withdrawal of most young workers from agriculture so that they could serve combat or participate in combat during the time of the war of destruction waged by the United States. In addition to providing machinery, the Soviet Union helped us set up an agricultural machinery repair system. In addition to a factory to carry out major tractor repairs, the Soviet Union helped us build and equip hundreds of workshops for making minor repairs and technical maintenance installations, and to form a nationwide repair network. Those were initial material factors on the path of building Vietnam's agricultural machinery sector.

Our country's agriculture has developed along the lines of intensive cultivation, specialized cultivation, additional growing seasons, and combined commerce. In addition to exploiting on-the-spot potential, we have received from the Soviet Union 70 to 80 percent of the chemical fertilizer and insecticides needed to meet the requirements of intensive cultivation. Thanks to the assistance of the Soviet Union in investing in the other economic sectors, such as electricity, chemicals, communications and transportation, those sectors now serve agriculture more effectively.

In many other spheres of activity, especially in the activities of the scientific-technical material bases with regard to machinery, plant varieties, agricultural chemicals, vegetation protection, etc., the Soviet Union has sent to our country many experienced teachers, scientists, and technical cadres to teach, provide technical guidance, exchange views, and participate in conferences on essential agricultural matters. The Soviet technicians have

made many contributions toward creating research methods and have made timely contributions toward resolving the key, urgent problems. After Vietnam was completely liberated, when the national economy had to have long-range plans on a larger scale, the Soviet Union sent many cadres skilled in planning, management, and science and technology to work with us in carrying out the provisions of economic contracts that had been signed or in developing state agricultural programs. A new development in the sphere of agricultural technology at present is that we have dozens of scientific-technical cooperation programs with the countries of the socialist community, especially with the Soviet Union, such as rice, pig, veterinary medicine, tea, coffee, gene bank, and other programs. The schools, institutes, and corporations have, on the basis of those equal cooperative programs, begun and developed scientific research projects to create high-quality agricultural products for export and contribute to further consolidating the cooperative relations and friendship between Vietnam and the Soviet Union.

The upward path of our country's agriculture must be created and developed on the basis of bringing into play the tropical natural resources and labor potential of the nation. We are advancing at a time when our country's industry is only beginning to take form, so agriculture must take appropriate steps in order to, along with industry, create mutually beneficial conditions and further each other's development. Therefore, the process of creating a large-scale socialist agriculture in the Soviet Union is a major lesson for the development of agriculture in Vietnam.

First of all, it must be said that after the success of the August Revolution, thanks to the application of the theoretical principles of V.I. Lenin on agricultural cooperativization we delineated a path of advance for collective agricultural production that was appropriate to the conditions of our country. The agricultural cooperatives were set up on the basis of nationalizing the land and collectivizing the labor implements and the other means of production. The cooperatives are now solid bases on which to promote and develop agricultural production and are the main pillars of spiritual and material life in the rural areas. On agriculture's upward path of advance our system of state farms, although it does not yet play a leading role in creating large quantities of agricultural products and has not yet fulfilled the mission of producing sufficient breeding stock and seed stock for agriculture as a whole, as is the case in many countries with developed agricultural sectors, they are state enterprises with a relatively high level of mechanization and have working and management methods based rather solidly on planning. The organization of agricultural production in the Soviet Union in two forms--national ownership and collective ownership--has provided us with experience regarding the organization and management of state farms and agricultural organizations, and is also a foundation of experience that has helped us develop agricultural production in all three spheres--state, collective, and family--in a harmonious manner. By analyzing and applying the successful experiences and failures of the Soviet Union and the other socialist countries, we gradually built and effectively consolidated the state farms, coopeatives, and agricultural production collectives, and with the experience we have gained from actual practice we have continually improved and developed the management mechanism and have achieved good results.



The great assistance of the party, state, and people of the Soviet Union for our agriculture is not only material but has also been carried out by means of resolving the actual problems of the agriculture of the Soviet Union, by means of the technicians and advisers now working in Vietnam, and by means of the cadres trained in the Soviet Union. Thus we have gained much additional experience and learned major lessons for resolving specific problems so that Vietnam's agriculture can advance. At present, in the spheres of agricultural zoning, cultivation, animal husbandry, economic management, and agricultural mechanization we have determined the direction of scientific research and on that basis have begun a system of scientific research projects to resolve problems that have arisen in actual production. By studying the experiences of the Soviet Union we have been able to set up a system of scientific research organs which consists of sector and specialized institutes and specialized research centers in various parts of the country.

The training of cadres in the Soviet Union, especially at the college and post-college levels, has provided valuable experience which we have applied to form a corps of scientific-technical and economic management cadres. Our training mode, which is based on the educational principles of theory accompanied by practice and the school integrated with society, has been continually improved because of the long training experience of the Soviet Union and the experience gained from the actual situation in Vietnam.

Referring to agriculture in our country, President Ho Chi Minh wrote:

"Our country is in the tropics and has good climate. It has golden forests, silver seas, and fertile soil. The peasants are brave and frugal. The friendly nations provide much help."

Commemorating the 55th anniversary of the founding of the Vietnam Communist Party, the 95th birthday of President Ho, the 40th anniversary of the founding of socialist Vietnam, and the 40th anniversary of the founding of the agricultural sector, we review the path we have traveled, which was full of difficulties and hardships but on which many important victories were won on the agricultural front, including the notable contributions made by the enthusiastic assistance of the party, state, and people of the Soviet Union. At present, and for a long time to come, agriculture is and will be a foremost front in our country.

Speaking of the ardent sentiment of our entire party and population, General Secretary Le Duan stressed that "With regard to Vietnam, the Soviet Union has always set the example vis-a-vis revolutionary struggle and has been a source of inspiration in building a new way of life, an image of a glorious future, and a model of international proletarianism. The Soviet Union set aside for Vietnam valuable and effective all-out assistance in two resistance wars in the past and in the present enterprise of building socialism and defending the Fatherland. Without the great victories and great assistance of the Soviet Union there could not have been the brilliant present victories in Vietnam" (NHAN DAN, 2 July 1985).

Having received the assistance of and studied the valuable experiences of the Soviet Union, we thank the party, state, and people of the Soviet Union and thank the Soviet agricultural workers for having given us all-out assistance. We are certain to build on the successes that have been attained to victoriously bring Vietnamese agriculture step-by-step to large-scale socialist production.



## PARTY ACTIVITIES AND GOVERNMENT

### IMPLEMENTATION OF NEW CONSTITUTION REVIEWED

Hanoi NHAN DAN in Vietnamese 18 Dec 85 p 3

[Article by Professor Nguyen Ngoc Minh, Director of the Law Institute: "Five Year Implementation of the New Constitution"]

[Text] The new constitution--the current constitution of our country--was approved by the National Assembly on 18 December 1980, exactly 5 years ago. This is the third constitution of our nation.

This constitution inherits and develops the two previous constitutions.

Concerning this constitution, General Secretary Le Duan wrote, "This new constitution of the Socialist Republic of Vietnam is a product of protracted and heroic combat by our people for national and social liberation under the leadership of the party, and is simultaneously a sharp weapon for all the people to continue their struggle to protect and firmly strengthen national independence and to win a decisive victory for socialism in our fatherland." (Footnote 1) (Le Duan: "The Socialist Revolution in Vietnam. Selected Works," Vol IV, Su That Publishers, Hanoi-1984, pp 314-315)

During the December 1980 session of the National Assembly to adopt the constitution, the first task of Chairman Truong Chinh in representing the Committee To Draft the Constitution was to suggest to the National Assembly "the need for organizing a phase of profound political activity in order to study the constitution and to discuss implementation of the constitution in party and state agencies, social organizations, the people's armed forces, and throughout all the people." (Footnote 2) (Truong Chinh: "Problems Concerning the Socialist State of Vietnam," Su That Publishers, Hanoi-1985, p 347)

All 40 provinces, municipalities and special zones held this phase of activity in party and state agencies, social organizations, among the armed forces and throughout all the people. Initially, our cadres and people understood the great significance and importance of the constitution and the need to strictly implement the constitution.

During the past few years, instruction in the constitution and law has been introduced to schools of the party, trade unions and the Ho Chi Minh Communist Youth Union. The capital of Hanoi and a number of provinces have begun to introduce instruction in the constitution to general level schools. The Ministry of Education is joining law agencies to prepare curriculums and lessons.

In a 10 September 1980 speech by General Secretary Le Duan at the Eighth Plenum of the Party Central Committee (Fourth Session) was a section which stated, "On the foundation of the new constitution, it is necessary to build a perfect system of law, an important and foremost part of which being laws, regulations and systems dealing with the economy."

Implementing the position of the party, the Council of State for the first time issued a resolution defining a plan for strengthening the law during the 5 years from 1981 through 1985.

Many important laws on organization have been promulgated: the law on electing representatives to the National Assembly; the law organizing the National Assembly and the Council of State; the law organizing the People's Court; the law organizing the People's Procurate; the law organizing people's councils and people's committees at all levels; and the law on electing representatives to people's councils.

In economic management, the Council of State has passed laws on industrial and commercial taxes, agricultural taxes, and the issuance of fatherland construction bonds. In order to ensure the supervision rights of the people, the Council of State has promulgated laws and regulations on examining and resolving the complaints and accusations of the citizens.

To protect the fatherland, the National Assembly passed the Military Draft Law and laws concerning officers of the People's Army of Vietnam.

Of special interest, during June of 1985, the National Assembly officially adopted the penal code, the first such code of our country since the August Revolution, and a resolution placing the code in effect as of 1 January 1986.

The law making activities of the National Assembly have been an important and first step forward toward overall planning.

To implement the constitution and the various laws, the Council of Ministers has issued many resolutions, decrees, decisions, directives and circulars.

All of the things above have been aimed at making implementation of the constitution and the laws gradually become a standard.

However, the establishment of laws dealing with management, especially economic management, has not yet promptly answered requirements. A number of previous regulations on management that are no longer appropriate and a number that are outmoded in comparison with the situation have not been abolished, corrected or supplemented. Since Resolutions Seven and Eight of the Party Central Committee (Fifth Session) on renewing the management mechanism, eliminating the system of bureaucratic centralism and state subsidies and shifting entirely to socialist economic accounting and business practices, we have not promptly set forth new corresponding state regulations. This is a shortcoming.

An issue of foremost importance is posed, has the constitution truly entered life? Generally speaking, the constitution has not yet been strictly implemented, there are many violations, and the number of offending cadres and civil

servants still accounts for a high percentage. The campaign to implement the constitution is a difficult and complex struggle.

Urgent problems at the present time are:

First is to promote more widespread propagandization and dissemination of the constitution among the cadres and people, especially the cadres, and to resolutely strive to implement the constitution.

In the various kinds of daily life, violations of the constitution and the law from small to large are still extremely widespread. The violators are largely state employees and civil servants, reducing the confidence of the people in the line and position of the party, the constitution and the law.

On the other hand, many saboteurs and dishonest merchants disrupting the market and disturbing socialist order, hooligans, gangsters and deviant and degraded individuals have not yet been appropriately punished; and a number are still living outside the law. We have still not applied all administrative and economic powers to maintain social discipline, to implement promulgated laws and regulations, and effectively struggle to resist violations of the law and other social ills.

Second is the need to give greater concern to strengthening laws dealing with the economy, especially laws on economic management under appropriate official forms (regulations, laws and official documents under the law) depending upon the problem, especially since the Fifth Nationwide Party Congress and Resolutions Six, Seven and Eight of the Party Central Committee.

Third is to resolutely build a concept of socialist law among the cadres and people. Previously, living long under a feudal colonialist regime, our people usually had an attitude of resisting the old laws. Today, under a socialist system, our people have risen from a position as slaves to become masters of the country and law systemizes the line of our party for the interests of the working class and the laboring people. Therefore, everyone must consider the law as his own and conscientiously execute the law. Building this concept is truly not simple. Time and resolute education are necessary.

Looking back over 5 years of implementing the new constitution, we are confident that under the leadership of the party, our people will surely develop their strengths, collective ownership and concept of discipline organization to overcome the shortcomings and gradually introduce the constitution to daily life, assisting to build and protect the socialist fatherland.

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CSO: 4209/285

## PARTY ACTIVITIES AND GOVERNMENT

COLUMNIST: STEP UP PARTY DEVELOPMENT AMONG WORKERS

Hanoi HANOI MOI in Vietnamese 27 Nov 85 p 2

[Party Activities column by Tran Trong Que, Organization Department of the Municipal CPV Committee: "Give Greater Attention to Party Development Among Workers"]

[Text] Following Directive 15 on party development and party building in general, at the beginning of this year the resolution of the 13th Plenum of the Municipal CPV Committee clearly stated that "emphasis must be placed on party development among the workers directly engaged in production. An effort must be made to establish a party chapter at each work shop and store and to have party members in each production team. The worker component of the municipal party organization must be increased to 25-30 percent by 1990. Of these, 20-25 percent must be workers who are directly engaged in production."

Since the Standing Committee of the Municipal CPV Committee issued Directive 15, party development has made progress. A number of enterprise and work site party organizations have given attention to recruiting new party members from among the workers directly engaged in production. From 1979 to September 1985, the entire municipality has recruited 28,887 party members, of whom 8,564 (29.6 percent) are production workers. This has raised the percentage of party members who are workers to 15 percent for the entire city.

Many party organizations have increased the worker component and gradually reduced the average age of the ranks of party members. Many production teams have party members. Examples are the party organizations at the Mua Dong Textile Enterprise, Ready-Made Clothing Enterprise 10, Tool Enterprise 1, Precision Machinery Enterprise 1, the Thang Long Bridge Federation and the Civilian Construction Corporation.

However, in the enterprise and work site sectors, there are still many primary organizations that are not recruiting people regularly. The rate of growth is not keeping up with the number of comrades retiring. There have even been party organizations that have not increased the number of party members at all during the past several years. The party members are growing older and older and so their leadership roles are limited. Surveys of 51 party bases in the industrial sector have shown that the ratio of party members to cadres and workers is only 11.3 percent, and only 7.2 percent of the workers are party

members. Among the various sectors, the capital construction sector has a very low percentage of party members (6.7 percent), and only 2.8 percent of the workers are party members. At some construction corporations, the percentage of party members is even lower than that for the sector. Many production teams and units do not have any party members at all.

Carrying on party development among the workers and training workers to serve as leadership, management and scientific and technical cadres has the nature of a principle in the lines and viewpoints in party building. This is a pressing requirement in order to perfect the party bases.

In carrying on party development among the workers, the standards must be maintained and quality must be ensured. Tendencies to lower party members standards must be overcome. Conversely, people must be on guard against perfectionism, narrow-mindedness, conservative thinking and fixed ideas in evaluating the quality of the workers. They must not be afraid to carry out "politically related" responsibilities out of fear of violating the prohibitions of the Central Committee (Regulation 12 of the Secretariat of the Central Committee and Circular 18 of the Organization Department of the Central Committee provide guidance on this).

The party chapters and party organizations must have plans for developing the party and arranging the party members in order to maintain the important elements in the production chain, and they must strive to ensure that all of the production teams have party members in the coming years.

Party committee echelons should not issue specific recruitment standards for each period. Instead, based on the actual situation at key places that do not have party members or that have only a few party members, the situation must be analyzed and discussed and plans must be made in order to develop the party each period. Development must be closely tied to the cadre training projects and to the political tasks. There must be comprehensive plans, specific tasks must be assigned the party members and there must be time limits for completing each task. The party committee echelons must regularly inspect things, correct mistakes and help the party chapters and party members carry out the party development tasks well. The party committee echelons must give attention to solidifying the trade unions and, in particular, the Communist Youth Union, which is the party's reserve unit and its source of additional forces. The mass viewpoint, the working class viewpoint and the party's mass mobilization activities must be used in the new stage in order to step up party development among the workers.

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## PARTY ACTIVITIES AND GOVERNMENT

### HA TUYEN PROVINCE EMPHASIZES PARTY CONSTRUCTION

Hanoi NHAN DAN in Vietnamese 18 Dec 85 pp 3, 4

[Article by Nguyen Van Doc, Member of the Party Central Committee and Secretary of the Ha Tuyen Provincial Party Committee: "Experience in Building a Strong Party in Ha Tuyen"]

[Text] A province with 270 kilometers of border with China, Ha Tuyen Province must cope daily with the multifaceted war of sabotage and encroachment of the Chinese hegemonic expansionists which at times is extremely fierce. Strictly executing the positions and resolutions of the Party Central Committee, our party organization has defined the entire province as one defense line that must simultaneously assist in properly achieving the two strategic missions of successfully building socialism, and maintaining combat readiness and combat to firmly protect the fatherland of socialist Vietnam.

All districts and cities must ably accomplish the missions of strengthening national defense, building the armed forces, conducting good combat readiness and combat, maintaining political security and social order, and striking and defeating the multifaceted war of sabotage and border encroachment of the enemy. At the same time, districts must successfully build the agricultural-forestry-industrial structure, promote production, and create the potential for ensuring in-place rear services with the highest level of effort.

Each region and district must properly exploit its own strengths, and assist in totally and strongly developing the economy of the entire province.

From these general requirements, each district and city must formulate specific struggle missions and objectives consistent with its own situation and conditions. Highland and border districts stress the missions of strengthening and building local troops, self-defense militia, public security forces, combat villages, the combat defense line, determination to strike and defeat the multifaceted war of sabotage of the enemy, and maintenance of political security and social order. At the same time, they must promote the production of grain, food, and special product export crops of high economic value to ensure the lives of the people and assist in caring for the lives of the troops and constructing the material and technical base of socialism. The foremost mission of the rear area districts is to promote agricultural, forestry and industrial development while simultaneously ably performing the missions of building the armed forces and answering with the highest level of manpower and materiel the combat mission on the border, considering the mission of defeating the enemy on

the border as their own. The Ha Tuyen party organization has known how to use the composite strength of the entire province in concentrating on the primary missions and important steps. To ensure the enemy's defeat and to firmly protect the border of the fatherland, we first of all concentrate on building the armed forces with sufficient strength to strike and defeat the enemy while simultaneously strongly constructing border defense line projects.

The party organization has thoroughly understood and applied the viewpoint of in-place rear services to the conditions and circumstances of a highland province presently in a situation of constant war. Emphasis has been placed on intensive cultivation, area expansion to build high-yield fields in the key rice growing districts, strong introduction of nitrate fertilizer to the intensive cultivation of corn, and expansion of the high-yield corn area in the high border areas. Population rearrangement has been conducted in close coordination with production reorganization and combat village construction. Many party organizations have ably led in the transfer of people from locations with difficult production conditions (shortages of land, high population density, living too close to the border, etc.) to locations with arable land and more favorable production conditions with the purpose of long-term stabilization and immediate creation of greater grain output.

Actual practice has proven the accuracy of the viewpoint of in-place rear services in people's war. The achievements accomplished have been the results of the spirit of self-reliance of cadres, party members and ethnic minority people throughout the province. During the relatively favorable circumstances of the years before 1979, no one thought that Ha Tuyen would have the ability to resolve a large portion of the grain requirements and reduce the level of supply by the central government. Today however, under wartime conditions, the highland border districts producing in remote stone caves and hollows such as Meo Vac and Dong Van are able to self-produce enough grain and food to fully supply the daily requirements of people throughout the district, to sell the state hundreds of tons of grain and food and to produce tens of millions of dong in export goods while simultaneously maintaining a reserve for combat readiness and combat to defeat the enemy. Other highland border districts such as Hoang Xu Phi, Xin Man, Yen Minh, Quan Ba and Vi Xuyen are striving for grain equilibrium at the district level and to fulfill their obligations to the state.

These accomplishments have not only created a strong stand before the foe but have also established confidence among the people that the ethnic minorities in Ha Tuyen can enrich and successfully build socialism. For that very reason, compatriots in the villages of X. and P. were able to construct hydroelectric stations right in front of the enemy. The entire province has concentrated on intensive cultivation, multicropping and area expansion of grain crops while simultaneously striving to exploit and develop the superiorities of the highlands. Party, administrative and mass organizations at all levels throughout the province have continued to more thoroughly and profoundly understand the economic development policies of the party. The party organization has concentrated leadership on solving the grain problem, creating stable conditions and achieving development in every aspect; with the use of grain production as a "springboard" for promoting other economic and social activities. All levels have supervised the synchronized achievement of intensive cultivation methods



throughout the province; while simultaneously concentrating on better guidance of the high-yield rice areas in the key rice growing districts and the high-production corn areas in the border districts. Thanks to that, the 1985 grain output of Ha Tuyen Province was the highest ever achieved (exceeding the plan assigned by the central government by more than 20,000 tons).

On the basis of firmly resolving the grain problem, it is necessary to promote stock raising and the cultivation of industrial and export crops with strong development of annual industrial crops (peanuts, soybeans, sugarcane and citronella) and strengthened investment in the intensive cultivation of presently available perennial industrial crops while simultaneously expanding the area for new cultivation of tea, cinnamon, betel, lacquer tree and fruit tree varieties, and properly implementing methods of insect and disease prevention and control and breed selection in order to swiftly increase the domestic animal herd, especially the buffaloes and cattle.

In accordance with the requirements of effectively supporting economic development, combat and daily life, we have begun to create a change in industrial and small industry and handicraft production, increasing the total output value of the entire sector. The new construction and expansion of a number of production facilities aimed at answering the requirements of production and building the border defense line are jobs being accomplished in an active and creative manner.

The leadership and combat strength of party organizations are a decisive factor in every victory. Desiring to have a strong party organization with sufficient strength to fulfill these glorious missions, we emphasize guidance in closely coordinating achievement of the political mission with the tasks of building and protecting the party, considering good party construction as an assurance of successfully achieving the political mission.

The achievements and experience above are a yardstick of the political quality, leadership capability and combat strength of the party organization. Achievement is first of all due to special concern by the entire party organization in supervising strict compliance with the resolutions and directives of the Party Central Committee on building the party, ensuring that party organizations from top to bottom are truly a nucleus leading and developing the composite strength of the proletarian dictatorship system throughout the province; and launching a mass movement of production, combat and life organization to gradually and successfully build socialism and to firmly protect the socialist fatherland.

The party organization foremost and always gives concern to causing the cadres, party members and ethnic minority people to clearly understand the revolutionary position and mission during the new period; and to clearly accept the stand of a key province in which the enemy is striving to wage a multifaceted war of sabotage and border encroachment; from that, raising their revolutionary vigilance, patriotism, love of socialism, hatred for the enemy, spirit of self-reliance, and determination to give their lives for the fatherland and to successfully carry out their production and combat missions. All units from the provincial to the primary level, and all cadres, party members and people must clearly understand that the entire province is one defense line and that production and combat are the overall missions of every individual. Whether working in an agency or producing in an enterprise or cooperative, every individual



clearly understands that he is working for the entire nation, for protection of the border, and for himself; during normal times, ably carrying out his work and production mission; and when the enemy invades our territory, taking up arms to stand shoulder to shoulder with the army and people of the border to firmly protect the frontier of the fatherland. The entire province has launched movements to build grain reserves for the border; to fulfill military obligations in excess of the norms in both quantity and quality; and to increase the proportion of self-defense and militia personnel within the overall local population as stipulated by the province. The militia units of rear area districts have gone up to participate in combat on the border at the precisely prescribed time, in sufficient strength, etc. These are things expressing the policies of people's war and a national defense of all the people; and are a way of life and work of the citizens of a province at constant war. The political and ideological education work of the party organization enables all party members and masses to clearly understand that the fight against the hegemonic expansionists is still long and violent, and that the plots of the foe are extremely insidious, cunning and malicious. Consequently, they must continually promote economic and national defense activities, and strive to build the province into a unit with sufficient strength to defeat the enemy in every situation. The political and ideological education work of the party organization assists in strengthening solidarity and unity within the party by upholding a concept of organization and discipline in executing the line and policy of the party, especially Resolutions Six, Seven and Eight of the Party Central Committee; the positions and achievement methods of the party organization and maintenance of the principle of party vitality; and simultaneous efforts to overcome the ills of bureaucratism, corruption, bribery, illegal trade in violation of the principle of democratic centralism and the collective ownership rights of the masses.

The capabilities and combat strength of the party organization are dependent upon the capabilities and qualities of the party member ranks. Therefore, the party committee echelons have supervised effective achievement in defining the character, raising the quality and purifying the party member ranks. Generally speaking, the quality of party member ranks throughout the party organization has been successfully raised to create new combat strength for the party organization.

Party development has been promoted, gradually raising the originally extremely low percentage of party members in comparison to the overall population, ensuring that basic units, including those in the border highlands, all have basic level party organizations. Party organizations emphasize party development among young and outstanding workers, cooperative members and militia, women and ethnic minorities who have a clear political history, a clear definition of the foe, and a determination to fight and protect the frontier of the fatherland; ethnic minorities admitted to the party must know how to speak and write the common language because this is one of the conditions assisting the party member to accept the line and policy of the party, and to fulfill his mission of leading the masses.

During the recent past, the provincial party committee has given special emphasis to strengthening and building the primary level unit in close coordination

with building the district, strengthening the district level, and building the sector. This is an extremely difficult and complex problem and if the district level is not streamlined and strengthened in coordination with motivation of the masses to protect the security of the fatherland and maintain social order, strengthening of the primary level may be difficult. Therefore, the provincial level is concerned about streamlining the organization and providing additional cadres for the district while simultaneously training district level cadres by selecting test points for the district to attain actual experience. However, the province does not replace the district and the district does not replace the primary level unit. Generally speaking, the quality of primary level party organizations throughout the province has been raised. Therefore, the enemy have been unable to achieve their plot of disturbing security and order and of creating sudden rebellion. On the contrary, their sabotage and border encroachment activities have received proper retaliation, political security and social order have been maintained, production has developed, and the lives of the ethnic minority people have been stabilized and gradually improved. Since April of 1984, the Chinese reactionaries have used many corps [quan doan] and fired hundreds of thousands of rounds of artillery fire into the territory of Ha Tuyen Province all along the border. Each district must deal with only one enemy main force corps but they continue to deploy forward and to become increasingly stronger.

The provincial party committee has established and trained a core collective of leaders in each level, sector and unit, gradually rising to ably fulfill their assigned mission. Party committee echelons emphasize the elementary and advanced training and education of cadres. Besides study in schools, methods of advanced training with a strong and effective result are the regular extraction of experience, summarization of advanced models and test points, and development of the "leadership, education and combat" nature of party activities, especially the activities of the committee echelon. On the basis of good advanced education and training to raise the standards and abilities in every aspect of the cadres, it is necessary to continually inspect, examine and streamline leadership agencies and to strengthen the leadership of party committee echelons; to replace cadres lacking a spirit of responsibility, ability and quality and to strictly handle and discipline degenerate and degraded cadres and those with serious errors and shortcomings; and to select, promote and deploy cadres and party members with good qualities and the ability to shoulder the mission of key leaders in district and provincial sections and sectors and primary level units. Cadre evaluation should not be partial, unilateral or weighted toward academic degrees, age or nationality but should specifically examine the capabilities and qualities of each cadre in order to achieve an arrangement consistent with each position in each unit. The provincial party committee gives attention to the training and promotion of in-place and ethnic minority cadres but ensures that they have standards, true capabilities and qualities, and the trust of the party members and masses. Cadre deployment and promotion originate from the political mission and the position and viewpoint of the party, absolutely not in accordance with an "alliance" style or in order to have a "compensation policy." The cadre perfection of a number of districts and provincial sections and sectors during the recent past has created clear change and progress in relation to the districts, sections and sectors, and in relation to the overall activities of the entire province. This fact confirms that the party organizations's viewpoint of cadre selection and deployment is correct.

Implementing Resolution Eight of the Party Central Committee, the provincial party committee continues to study and rearrange the apparatus of party and administrative agencies from the provincial to the district level; to readjust the functions of a number of sectors consistent with the requirement of renewing the management mechanism, to reduce the administrative staff, to resist state subsidization, and to strengthen economic accounting along a course of socialist business practice; and to improve the key leadership cadres of primary economic sectors, key districts and important production and business facilities. On that basis, it promotes the construction of strong district party organizations and powerful and pure primary level party organizations; and urgently handles substandard facilities to create uniform development throughout the province.

The Ha Tuyen party organization is determined to become a powerful party organization, truly a decisive factor in successful achievement of the political mission of the entire province to assist in victoriously completing the revolutionary undertaking of the entire nation. Able achievement of the tasks above is also effective preparation for successfully holding party organization congresses at all levels in the near future.

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ECONOMIC PLANNING, TRADE AND FINANCE

RESOLUTION ON 1986 ECONOMIC, SOCIAL WELFARE PLAN REPORTED

Hanoi QUAN DOI NHAN DAN in Vietnamese 29 Dec 85 pp 1, 4

[Unattributed report: "Resolution on the 1986 Economic and Social Welfare Plan"]

[Text] After examining the report of the Council of Ministers on the implementation of the 1985 Economic and Social Welfare Plan and the guidelines and tasks in the 1986 Economic and Social Welfare Plan and after listening to reports by the Economics, Planning and Budget Committee, the Nationalities Committee and the other standing committees of the National Assembly and hearing the ideas of the National Assembly deputies, based on Article 83 of the constitution of the Socialist Republic of Vietnam, the National Assembly of the SRV issued the following resolution:

1. It approved the report of the Council of Ministers on the implementation of the 1985 Economic and Social Welfare Plan and the guidelines and tasks in the 1986 Economic and Social Welfare Plan.

2. It passed the 1986 Economic and Social Welfare Plan with the following main norms:

A 7.9-percent increase in the gross social product as compared with 1985.

An 8.8-percent increase in the gross value of industrial production as compared with 1985.

An 8.9-percent increase in the gross value of agricultural production as compared with 1985.

A ceiling of 20 billion dong on state investment in concentrated capital construction.

A 6-percent increase in the volume of commodities transported within the country based on tons and a 5.4-percent increase based on ton-kilometers.

A 14-percent increase in the value of commodity exports as compared with 1985.

Grain yield (converted to paddy equivalent): 20 million tons.

A 9-percent increase in grain mobilized by the state as compared with 1985.

A 12-percent increase in the industrial crops area as compared with 1985.

An 11.7-percent increase in the number of hogs as compared with 1985.

A 7.2-percent increase in the number of buffalo and cattle as compared with 1985.

Open 200,000 hectares of virgin land.

Afforest 120,000 hectares of land.

Send 650,000 people to new economic zones.

A 12-percent increase in electricity generation as compared with 1985.

An 11-percent increase in the output of washed coal as compared with 1985.

A 6-percent increase in the output of phosphate fertilizer as compared with 1985.

A 25-percent increase in the output of cement as compared with 1985.

An output of cloth and textile products equal to 375 million meters (converted).

A 9-percent increase in the output of paper as compared with 1985.

A 5.5-percent increase in the output of sugar as compared with 1985.

Number of newly enrolled students: College and advanced schools, a 6-percent increase as compared with 1985; vocational middle schools, a 5-percent increase as compared with 1985; technical workers, a 19-percent increase as compared with 1985.

Number of general students starting the school year: 12.3 million.

A 5-percent increase in the number of books published as compared with 1985.

A population growth rate of 1.9 percent.

3. The Council of Ministers has been made responsible for actively implementing the policies and measures in order to gradually stabilize markets, prices, the currency and the lives of the people, improve management and planning, manifest the collective ownership rights of the laborers, increase the production and business independence of the production installations, oppose bureaucratic centralism and carry on economic accounting and socialist business enterprise based on the spirit of the resolutions of the 6th, 7th, 8th and 9th plenums of the Central Committee of the CPV.

The organization and rearrangement of production must be accelerated. There must be a reallocation of labor at the district, provincial and national levels with the aim of making good use of the laborers and arable land and exploiting the capacity of the existing machinery and equipment. The state's control mechanisms at the central, provincial, municipal, ward, district, village and subward levels must be rearranged immediately. The administrative and occupational mechanisms and the indirect mechanisms of the production installations must be simplified, an effort must be made to provide each able-bodied person with a job, labor discipline must be strengthened, the work time must be utilized fully, there must be high productivity and the work must be of good quality.

A laborers' revolutionary movement must be launched on a widespread scale, a spirit of self-reliance must be manifested, the difficulties must be overcome, an effort must be made to engage in productive labor and people must economize and oppose waste in production and consumption in order to contribute to accumulating capital for socialist industrialization.

The Council of Ministers and its agencies must make an effort to exploit the positive factors; rigorously review the shortcomings in the implementation of the plans and budgets, particularly the shortcomings in implementing the resolution of the 8th Plenum of the Party Central Committee and the resolution of the 28th resolution of the Political Bureau on prices, wages and currency; maintain state discipline and strengthen socialist law; and continue to study and solve the problems pointed out by the Economics, Planning and Budget Committee, the Nationalities Committee, the other standing committees of the National Assembly and the deputies of the National Assembly in order to supplement the policies and measures, improve the guidance and control of the Council of Ministers, manifest the integrated strength of the entire country to make better changes in the economy and in social life, solidify security and national defense, fulfill our international obligations satisfactorily and fulfill the 1986 state plan successfully to welcome the 6th Party Congress.

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ECONOMIC PLANNING, TRADE, AND FINANCE

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## AGRICULTURE

### FUTURE COURSE OF AGRICULTURAL S&T RESEARCH

Hanoi KHOA HOC VA KY THUAT NONG NGHIEP in Vietnamese Oct-Nov 85, pp 448-451

[Article by Duong Hong Dat, Vice Chairman of the State Science and Technology Commission: "Directions of Scientific-Technical Research To Serve the Development of Agriculture in the Immediate Future"]

[Text] In the initial phase of the period of transition to socialism, our Party's economic development line has affirmed that agriculture is a foremost front. Scientific research and the application of technical advances must be concentrated on resolving the relevant problems in order to rapidly attain the agricultural goals of the Party's economic development line.

I. Scientific-Technical Research Must First of All Serve the Creation and Development of an All-Round Agriculture, With the Primary Goal of Resolving the Food Problem of Society As a Whole

Along those lines we have accomplished much and have achieved encouraging results. Many varieties of rice, corn, peanuts, soybeans, etc., which provide high yields, have good resistance to insects and diseases, and are appropriate to the cultivation conditions of the different localities have been brought into production. Many advances regarding the crop structure, the seasonal schedule, fertilizer, and the prevention and elimination of insects and diseases have been applied in production and elimination of insects and diseases have been applied in production and are having a good effect. However, in the course of creating and developing an all-round agriculture many problems have arisen the solution of which requires concentrated research.

We have hundreds of agricultural cooperatives which practice good intensive cultivation, including dozens of cooperatives which have attained yields of more than 10 tons of hectares per year. But there are also still many cooperatives with yields of less than five tons per hectare per year. Many districts have attained average yields of six to seven tons per hectare per year, but there are also districts in which the yield is still under four tons per hectare per year. Increasing rice yields uniformly throughout the nation is an urgent requirement for scientific-technical research. In order to increase rice yields uniformly nationwide it is necessary to resolve many scientific-technical problems so that rice production in areas with many

difficulties can attain higher, more stable yields. It is also necessary to continue to study the resolution of problems to increase yields in the average areas. Furthermore, it is necessary to continue to increase rice yields in advanced places and attain a higher degree of stability. Along those lines, recently many localities have cooperated with scientific research institutes in applying a full set of rules so that the intensive cultivation of rice can be practiced on a wide scale. In order to endeavor to attain norms regarding total grain output for the periods to 1990 and 2000, it is necessary to increase the present average national rice yield from the present yield of about 28 to 29 quintals per hectare to about 35 to 36 quintals per hectare per season. If that is to be accomplished there must be new rice varieties capable of providing higher yields, better resistance to insects and diseases, and better taste. Furthermore, there must be rice varieties which provide high yields in drought-stricken, marshy areas, saline soil areas, leached soil areas, etc. There must be selected variety structure that are appropriate for each season and each type of soil in order to exploit the natural conditions as well as possible and limit the harmful effects on yields. There must be rational seed production and seed propagation regulations to ensure the ranking of varieties and the scientific rotation of varieties in production.

During the next few years we will not have much inorganic fertilizer and will not yet be able to fully meet the needs with regard to quantity and the balanced nitrogen-phosphorous-potassium ratio, or the requirements of intensive cultivation according to ordinary calculations. Therefore, the scientific research projects must be carried out along the lines of increasing the effectiveness of the inorganic fertilizer we have, and combining inorganic and organic fertilizer in the best possible manner. We must seek out and decide upon fertilization systems and modes for each type of field, on the basis of fully mobilizing local sources of fertilizer for intensive cultivation.

In intensive cultivation, insects and diseases are factors which cause major damage. Research must be continued along the lines of combined measures to protect vegetation. The important matter is to firmly grasp the development of insects and diseases in the fields and to determine measures which are appropriate to the situation and developments vis-a-vis insects and diseases. We lack the various kinds of chemical insecticides. Therefore, a direction of scientific research is to rely on the plant protection network, draft rational modes and regulations regarding the prevention and elimination of insects and diseases and the fullest exploitation of the potential of each locality, in order to ensure effectiveness in plant protection.

In future years, research into subsidiary food crops must be expanded to a large scale, with greater depth and higher quality. At present, subsidiary food crops account for only 17 or 18 percent of the total grain output, although we have great potential for promoting the production of subsidiary food crops. We are entirely capable of increasing the ratio of subsidiary food crops to about 25 to 30 percent, or even more, of the total grain output. Scientific research projects must be carried out on the intensive cultivation of all kinds of subsidiary food crops; on the processing of subsidiary food crops into raw materials for the food industry; on the good long-term storage and the prevention of spoilage and losses; the circulation of the various

kinds of subsidiary food crops, with the goal of sending most of the subsidiary food crop products from the production areas; and using subsidiary food crops rationally in order to attain the greatest economic effectiveness.

Increasing the numbers and rate of increase of hogs will continue to be an important direction for scientific research in the coming period. We must do a good job of resolving the feed problem in order to continually increase the number of hogs and the number of crossbred commercial hogs. Many problems regarding veterinary medicine and protecting livestock by combined methods must continue to be resolved in order to contribute to meeting the norms regarding the number of hogs and the average amount of pork per capita.

The development of water buffaloes and the various kinds of ruminants is opening up great prospects. In recent years the number of water buffaloes and cattle, especially cattle, has increased rapidly. Many scientific-technical problems are being posed vis-a-vis the development of water buffaloes and cattle in all three regards: draft power, meat, and milk. Efforts must be made to improve the quality of cattle along the lines of "Zebuization" and to improve the quality of water buffaloes by interbreeding them with Murrah water buffaloes. We must resolve a whole series of technical problems, such as the extensive use of frozen sperm, improving the structure of herds and rapidly increasing the numbers of Sind and Zebu cattle, Murrah water buffaloes, etc., in order to quickly attain the goals that have been set. Ensuring a sufficient quantity of high-quality feed for water buffaloes and cattle will also be a concern in the next few years and in the future development of livestock, one of our strengths. The problem that is posed is to have sufficient feed for water buffaloes and cattle during the cold season in the north and during the dry season in the south. The composition of the various kinds of feed for water buffaloes and cattle, especially the various kinds of crops that provide protein and minerals, and the methods of fermenting, drying, and storing, etc., are matters which must be studied and resolved well. Consideration must also be given to using water buffalo meat and beef to balance meals, exporting water buffalo meat and beef, processing leather, tanning leather, producing leather goods for export, etc.

We have many capabilities for developing poultry. Prospects for rapidly increasing the number of ducks nationwide are still very great. It is necessary to research the use of subsidiary food crops and the other agricultural products to provide sufficient feed for poultry. The mode of production alliances of the three sectors--state, collective, and family--will, if carried out well, stimulate the raising of poultry to undergo new development. Research to find effective methods and measures to guard against and fight poultry epidemics is also a problem which must be well resolved.

II. Promote Scientific Research To Further the Development of All Kinds of Industrial Crops, Provide Most of the Raw materials for Industry (Especially Small Industry and Handicrafts), and Increase the Supply of Export Goods

In recent years industrial crops in our country have undergone good transformation and attained a significant level of development. However, there is still much capability for developing industrial crops and the process

of industrial crop production is posing many scientific-technical problems that must be resolved well.

The principal industrial crop products are commodity products. Therefore, the problems regarding storage, processing, transporting, and circulation-distribution are much more demanding than those regarding rice production.

The principal agricultural crops grown in our country are gradually entering into intensive cultivation, specialized cultivation, and combined commerce. The intensive cultivation of industrial crops is the intensive cultivation of dry crops. In the case of perennial crops, intensive cultivation is carried out largely on hilly land, sloping land, and land that is easily washed away and eroded. Specialized industrial crop areas are being formed at a rapid rate and many scientific-technical problems are being posed. There must be high-yield varieties that are appropriate to the cultivation and climatic conditions of the different areas. Many scientific-technical and organizational problems are being posed for plant protection in hilly areas, in water-deficient areas, in areas with tall plants, and with regard to new objects of prevention and elimination and objects of protection, etc. The actual production situation is posing problems regarding interplanting, crop rotation, and the growing of catch crops in specialized industrial crop areas. Our tropical agriculture allows us to select many different interplanting combinations to create conditions for the principal crops to develop as well as possible and provide the highest yields in appropriate agricultural ecosystems, while at the same time exploiting as well as possible, and with the highest effectiveness, the meteorological and soil conditions.

In growing industrial crops we cannot grow them to obtain only one product, but must obtain many different kinds of products from the same crop. The processing industry consists of the preliminary processing and processing of raw materials for industry and the processing of consumer products must be tied in closely with agricultural production and the organization of truly rational distribution in order to further the cultivation process and increase the value of agricultural products. The modes of forming economic alliances, combining industry with agriculture, and combining science with production must be resolved creatively and appropriately.

Our industrial crop yields amount to only half, or in many instances only one-third or one-fourth, of the average yields in the advanced agricultural beyond the present levels, especially on a nationwide scale, there must be a corps of skilled specialists to enter deeply into each type of crop and each type of product. They must also operate regularly and overcome the situation of dispersion and fragmentation if combined strength is to be created.

The material-technical bases for the development of industrial crops must also be taken into consideration, especially the various kinds of intensive cultivation standards, the technical service installations, the materials supply and product circulation and marketing installations, the processing and storage installations, etc. The use of the common system of material bases of agriculture, which is in our case primarily intended to serve rice and a number of other food crops, is at times irrational and very wasteful in serving industrial crops.

### III. Building and Developing an Ecological Agriculture

In recent years scientific-technical accomplishments have led to the conclusion that in order to fully and solidly meet people's needs for agricultural products, while at the same time maintaining and continually improving the environment, it is necessary to create an ecological agriculture. The documents and resolutions of our Party have also stated that our country's agriculture must be developed into an ecological agriculture.

Along those lines, the scientific-technical work must do a good job of resolving relevant problems in order to rapidly and widely apply the accomplishments of the biological revolution. Seedstock and breeding stock must be the objects of concentrated research. We will expand activities on all four fronts of the seedstock work: creating new varieties; testing and regionalizing varieties; producing and supplying seedstock and scientifically rotating the varieties; and inspecting the application of regulations, rules, and policies regarding varieties in production. It is necessary to promote research activities on heredity, biochemistry, and the creation, maintenance, and development of gene banks, accompanied by the perfection of the testing system, the seedstock propagation system (in the case of rice, a four-stage propagation system), and the seedstock certification system.

The biology industry is opening up many prospects for resolving many problems regarding the heredity of plants and animals. In coming years it will be necessary to do a good job of organizing experimental laboratories and research projects in this sphere. The raising of tissues and cells to resolve the problem of propagating plants which are difficult to breed and eliminate virus diseases from some types of plants has begun in recent years in many experimental laboratories and must be further expanded and brought together in unified programs to avoid duplication and wasting time in researching problems that have already been resolved.

Microorganisms play an extremely great role with regard to our country's tropical agriculture. The processes of transforming the substances in soil to supply nutrients to plant are essentially due to the results of the activity of the of microorganisms in the soil. The microorganisms in our tropical soil are truly rich and varied. By grasping and guiding the activities of those microorganisms we will rapidly change the rich source of organic nutrients of the "green the year around" tropical vegetation into plant nutrients in the most effective manner. We have nitrogen microorganic fertilizer for nitrogen fixation by soybeans. But with hundreds of species of legumes we can expand research along those lines and have many additional types of microorganic fertilizer for plants. A number of manmade insect-destroying microorganisms, such as *Bacillus thuringiensis* and *Beariveria bassiana* have also been applied in a number of places. There are also many kinds of viruses, fungi, and other microbes which are parasites on harmful insects which we can research in order to serve the plant protection work. In animal husbandry, microorganisms for fermenting livestock feed and microorganisms for producing antibiotics and vitamins, for use in the agricultural products processing industry, for transforming substances, for creating antibiotics, growth regulation substances, vitamins, and for use in methane gas pits to produce fuel are among the roles played by the activity of microorganisms.



Ecological agriculture is based on more than the accomplishments of biology. Our Party has pointed out that the extensive and full application of the applications of the biological revolution is accompanied by the effective use of the successes and results of industry. The irrigation, mechanization, and chemicalization of agriculture are the path for developing our country's agriculture so that it can assimilate the results of industry and increase labor productivity, the effectiveness of investment, and crop and livestock yields. However, the application of the accomplishments of industry to agriculture must be carefully calculated in order to have a path of advance that is appropriate to the development of our country's economy, while at the same time satisfactorily resolving problems of the environment and not leave behind negative consequences for nature and ecology in our country.

In the course of building and developing an ecological agriculture, the scientific-technical work must resolve a whole series of theoretical and practical problems to advance agriculture at a rapid rate and attain at an early date the economic and social goals set forth in the Party resolutions and fully bring into play and continually improve the natural resources--land, water, weather, fauna, flora, etc.--while at the same time protecting and preserving the environment for the working people.

#### IV. Research and Resolve Economic, Organization, and Management Problems

The resolution of the Fifth Party Congress set forth the mission of creating a nationwide economic-agricultural structure. It is necessary to correctly determine the role and position of our country's agriculture in the overall economic structure. The important matter is to determine the contents and level of agricultural development in each phase of upward advance in the process of forming a national economic structure.

On the basis of the role and position of agriculture in the overall economic structure it is necessary to determine the internal structure of agriculture. Agriculture in its wider meaning includes forestry and aquatic products. It is necessary to clarify the roles and ratios of the relationship among agriculture, forestry, and fishing. In agriculture, it is necessary to clearly understand the roles of cultivation, animal husbandry, and trades. In cultivation it is necessary to determine the role of food crops, long-term industrial crops, short-term industrial crops, fruit crops, and pharmaceutical crops. In animal husbandry it is necessary to determine the positions of the relationships among large livestock, small livestock, poultry, etc.

When setting forth the four contents for agriculture the resolution of the Fifth Party Congress stated that the district was the principal sphere in which the other three contents would be achieved. The development of districts into planning units and economic units with an agricultural (agriculture, forestry, and fishing) and industrial (small industry, handicrafts, and local industry) structure demands the resolution of a whole series of scientific, technical, economic, and managerial problems. In future years scientific-technical activities must be carried out more fully and completely along those lines in order to rapidly transform the Party's economic development line into reality.

The contracting of final output to groups and individual workers has recently contributed to bringing about a major transformation in agriculture. During the recent period we have made many all-out efforts to fully explain and carry out the Party Central Committee policies regarding the expansion of the right of the basic level to take the initiative in production and commerce and decentralization to the district and basic levels. In order to continually perfect the management structure and organization of production in agriculture, the scientific-technical work must organize activities fully and comprehensively, and in depth, in the above spheres and in a number of other spheres of management.

The technical service activities and the introduction of scientific-technical advances to agricultural production also have many new features. Intensive cultivation areas, areas which apply a full set of technical measures to increase crop and livestock yields, and crop and livestock yields, and crop and livestock insurance activities have been expanded. A number of theoretical and practical scientific-technical problems and economic management problems which have been posed must be resolved well in order to rapidly overcome the bureaucratic centralism-state subsidy management mechanism, while at the same time continually furthering the development of agriculture, consolidating the worker-peasant alliance, and creating a socialist management mechanism that is appropriate to our level of development, on a scientific basis, and ensuring the increasing of yields and the improvement of quality and effectiveness in production.

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## AGRICULTURE

### MECHANIZATION OF AGRICULTURE IN VIETNAM REVIEWED

Hanoi KHOA HOC VA KY THUAT NONG NGHIEP in Vietnamese Oct-Nov 85 pp 487-490

[Article by Nguyen Dien: "Accomplishments in the Mechanization of Agriculture During the Past 40 Years"]

[Text] Prior to the August Revolution of 1945, while still under the yoke of dependency of the French colonialists and Japanese fascists, agricultural production in our country was extremely backward and was carried out primarily by manual labor.

After the success of the revolution we immediately had to wage a resistance war against the French colonialists. In the emulation movement to increase production, the agricultural sector took steps to guide the development of food crops to meet the needs of the resistance war. In addition to the other technical measures, the state was concerned with supplying such implements as plows, harrows, knives, and sickles to peasants in the free areas in the lowland and mountain regions. During that period the peasants in a number of areas came forth with innovations to improve implements. In Interzone 3 many water buffaloes and cattle were killed by the enemy so peasants made foot-pedalled winch plows to pull plows and harrows. In Interzone 4 there appeared the two-rowed Nghe An 1 grass rake that was 1 to 1.2 meters wide and was pulled by people. Productivity was considerably greater than the old grass rakes.

After 1955, with the victory of the resistance war against the French colonialists, the organization of management and guidance of the development of agricultural production implements gradually took form in the North of our country. We organized a Movement to Improve Implements (under the Ministry of Agriculture and Forestry), set up the first tractor unit in our country, began an agricultural machinery course at the Agricultural College and classes for training tractor drivers, began to bring in tractors to work in wasteland areas in the midlands, set up the first state farms, and then used tractors on a trial basis in the lowlands, where agricultural cooperativization began. In 1959-60 an organization to guide management and an agricultural mechanization research organization were set up.

In the North of our country the process of providing technical equipment passed through the following periods:



The period of post-war economic restoration: essentially the restoration of draft water buffaloes and oxen, equipping the peasants with sufficient production implements, and beginning a movement to improve implements and use tractors on trial basis.

The period of the first 5-year plan (1961-65): beginning research on improving implements and using tractors at the state and collective agricultural installations.

The period of opposing the war of destruction waged by the U.S. imperialists: developing agricultural mechanization to overcome difficulties regarding draft power and labor to serve the battlefield.

In the South, during the 1955-1965 period the puppet administration, implementing a neocolonial policy, brought in tractors primarily to serve the setting up of land development centers in the hilly and mountainous areas. The 1966-75 period was a period of developing tractors in the lowlands.

After the liberation of the South and the unification of the nation, the equipping of agricultural implements and machinery began to be carried out during the 1976-80 and 1981-85 5-year plans.

During the past 40 years, although continually affected by war our country's agriculture achieved great accomplishments and clear progress was made with regard to motive power, implements, and machinery used in agricultural production. Those technical advances were the results of scientific research and the accumulation of actual experience in our country, combined with the application of the scientific accomplishments of the world to the specific conditions of our country.

The scientific-technical accomplishments regarding the mechanization of agriculture have contributed positively to the development of agricultural production in our country during the recent period, and has created conditions for increasing total output and has contributed to increasing crop and livestock yields, increasing labor productivity, protecting production, fighting drought, floods, insects, and diseases, and furthering the technical revolution and the revolution in production relations in agriculture.

At present, the motive force of agriculture in our country has begun to undergo a transformation with regard to quantity and quality. In addition to the steadily increasing labor and draft power (water buffalo and oxen) forces in agriculture there has appeared a new source of motive power: electrical machinery. By 1985 the peasants all over the nation had been equipped with tens of thousands of electrical machines, 40,000 small and large tractors, and hundreds of thousands of internal combustion engines with a total capacity of millions of horsepower. Although those numbers are not yet great, there has been created an initial transformation in the quality of agricultural machinery in our country. Electrical machinery has become an indispensable supporting force in developing production, maintaining the seasonal schedule, and preventing and fighting natural disasters, closely combined with primary reliance on manpower and draft power.

The results of scientific-technical research have created conditions for effectively using electrical machinery in many stationary and mobile tasks, such as irrigation and drainage, rice threshing, rice milling, grinding, soil preparation, sowing, etc. We have researched and determined a system of large and small electrical machines and types appropriate to the terrain, dimensions, and soil of our country's fields. We selected small and large tractors (10-12, 30-40, 50-80, and 100-150 horsepower for use in agricultural production. Especially, we researched the improvement of tractor wheels, with the various kinds of rubber wheels (low or high), secondary wheels, steel wheels, wire mesh wheels, and pontoon wheels so that the tractors can be used on dry fields, wet paddies with hard surfaces, and muddy paddies. The results of that research have become technical advances and have been applied widely in rice-growing areas for more than 20 years.

With regard to labor implements, on the basis of surveying draft water buffaloes and cattle on the principal types of soil and on dry and wet paddies, we researched and selected the various kinds of soil-preparation implements for each area, including traditional implements ("trowel" plows and "sheath" plows in the lowlands and Hmong and Nung plows in the mountain region) and improved implements (the model 51 plow, the model 58, etc.). The sowing and planting implements and crop tending implements have also undergone notable improvements. The improvement of a number of harvesting implements and transportation facilities, such as harvesting sickles, the use of foot-powered rice threshing wheels, the use of rollers in place of flails, and the use of improved carts in place of carrying poles, has become a broad, continuous mass movement during the past 20 years. A number of new-style implements, such as shoulder insecticide pumps, have quickly been popularized on a large scale.

In general, manual agricultural implements have been increased in number and supplemented with regard to variety. A number of improved and new-style implements have been supplied extensively in agriculture, but we must continue to improve the quality and durability of manual implements in order to meet higher requirements. During the recent period we have researched and experimented with agricultural machinery in many different tasks--cultivation, animal husbandry, and the processing of agricultural products by imported machinery and machinery designed and built in our country--to reach the conclusions necessary to serve a number of principal production phases.

With regard to soil preparation, we have researched a number of types of tillers, harrows, and rotary cultivators for use on dry and wet fields, and have stipulated appropriate mechanized soil-preparation techniques for each season and for one to three crop rotation structures during the year. A number of soil preparation machines have been designed and manufactured in our country and techniques of mechanizing soil preparation by using small two-wheeled tractors and large tractors have been applied extensively in both wet-rice areas and areas growing dry crops.

With regard to sowing and planting, we have selected machines to sow corn, dry rice, soybeans, peanuts, jute, cotton, etc., and are continuing to research machines to transplant wet rice.

In order to serve irrigation and drainage, recently we researched, selected, designed, and manufactured a whole series of water pump systems for low water columns and high water columns (centrifugal pumps and centripedal pumps), installed with electric motors and internal combustion engines and consisting of small pumps (100 to 500 cubic meters per hour) and large pumps (1,000 to 4,000 cubic meters per hour).

We selected machines to fertilize and cultivate such subsidiary food crops as corn and legumes, tractor-mounted insecticide sprays for dry crops, and motorized back-pack insecticide sprays for use in wet rice paddies.

During the recent period we have researched the mechanization of the harvesting of rice, corn, and jute, with principal emphasis on the harvesting of rice. We imported and tried out various kinds of rice harvesters and small, medium, and large combines, and researched, designed, and manufactured a number of machinery models in our country, but have not yet selected a type that is truly appropriate to production conditions in our country. With regard to rice threshers, during the recent period we selected, designed, and manufactured a number of models of rice threshing and dehusking machines with capacities of 0.5 to 1.5 tons per hour which are based on different principles. We have selected and applied to production thousands of rice threshing and dehusking machines, concentrated in a number of key rice areas in the Mekong and Red River deltas.

With regard to the preliminary processing, storage, and processing of agricultural products and animal feed, during the recent period we have researched, selected, designed, and manufactured various kinds of small-scale equipment to ventilate and dry agricultural products, to mill, dechaff, and grind animal feed to serve the collective production sector, and large-capacity equipment to process coffee, sugarcane, rubber, and animal feed for the centralized state production sector. In order to transport agricultural products, in addition to widely using improved carts pulled by people, animals, and boats, we have begun to bring into use a number of mechanized transportation facilities, such as small motor boats in the Mekong Delta, and tractors equipped with small and medium trailers in a number of other agricultural production areas.

With regard to the mechanization of the principal crops, we have researched, experimented, and reached conclusions experimented, and reached conclusions about a system of machinery to mechanize many aspects of corn growing on hilly land and river bottom land, and a system of machinery for mechanize and a number of principal aspects of rice growing at state farms and concentrated rice production areas.

With regard to animal husbandry, we began to research equipment and machinery to mechanize the processing and distribution of feed and the sanitation of pens at concentrated pig farms.

With regard to the use of machinery in tropical agriculture, by means of researching and surveying the physical characteristics of the land and crops in our country, we drafted and applied a number of technical regulations regarding the use of machinery, and economic technical and economic

effectiveness norms regarding a number of production aspects in cultivation and animal husbandry. We researched and drafted a number of rules regarding the technical maintenance and storage of agricultural machinery under the tropical conditions of Vietnam, and especially successfully researched techniques for restoring a number of important machinery parts, such as the parts of fuel systems in tractors imported from socialist and capitalist countries. We were thereby able to restore the operational capability of thousands of tractors that had been imported from other countries.

In general, since the August Revolution, and especially since 1955, on the basis of the new production relations the production forces in our country's agriculture have been further strengthened. There has begun to be formed the basis for a new scientific-technical sector in agriculture--the agricultural mechanization and electrification sector--with an organizational system and increasingly developed research forces, the center of which is the Agricultural Implements and Mechanization Institute. During the recent period scientific-technical research into agricultural electrical machinery has begun to meet a number of urgent requirements of production, such as the mechanization of soil preparation, irrigation and drainage, processing, etc. Although there are many difficulties and complications in carrying out the mechanization of agriculture under the specific conditions of our country, but the role played by supplying and using implements and machinery in agriculture has been increasingly affirmed in the process of advancing to the creation of large-scale socialist agriculture in our country.

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